

The departmental budget review reconvened on April 15, 2014 at 9:07 a.m., and proceeded as follows:

Planning Department

Honorable Tim Bynum (*not present*)
Honorable Mason K. Chock, Sr.
Honorable Gary L. Hooser
Honorable JoAnn A. Yukimura
Honorable Jay Furfaro, Council Chair

Excused: Honorable Ross Kagawa
Honorable Mel Rapozo

Chair Furfaro: *Aloha*, good morning. Today is Tax Day. That has no reason for us to have a vacant table...no. We will just have a quorum this morning as previous engagements with Mr. Kagawa and Mr. Rapozo were made, and then this afternoon JoAnn is going to a State meeting for us, and Mr. Bynum will be in in the afternoon. So we will have a quorum all day today. We need to be timely with our breaks because of the need to have four of us at the table while we are discussing. But on that note we are starting the day with Planning. We have got to 11:00 a.m., Mike and then at 11:00 a.m. to 12:30 p.m. we are going to do Housing and to start the morning we will suspend the rules and we are called back from recess and I will give you the floor, Mike. Mike, let me make sure...let me make one more housekeeping announcement and this is towards the staff. According to this schedule, today is the last of the originally scheduled meetings. The rest of the dates are filled in are all call-back, right? Okay. Thank you. Just wanted to reconfirm that.

MICHAEL A. DAHILIG, Director of Planning: Good morning, Chair, Councilmembers, again Happy Tax Day! For the record, Mike Dahilig. I also have a couple of my staff members who have been working with me on the budget, Myles Hironaka and Leila Kim, who are in the audience. Leila is the former Leila Villon, and she just recently got married to Mike Kim. So if you see Leila Kim, that was formerly Leila Villon. It is a pleasure this morning to present our Department's budget proposal for this upcoming fiscal year. In this presentation we will discuss our achievements to-date, the progress of our budget goals over the past fiscal year, our budget goals for the upcoming fiscal year, challenges our Department anticipates, and details of our budget requests for Fiscal Year 2015. Since we have met on the budget last spring our Department has been pushing forward many initiatives and projects aimed at strengthening our County's Planning program. Certainly we only have so much time this morning so our budget report highlights a few initiatives illustrating our Department's drive to reach higher heights. On July 23, 2013 and partly thanks to the work of this Council Ordinance No. 950 was adopted adjusting the various permitting charges and fees charged by the Department for inflationary considerations. The Department was prepared for the fee transition and the implementation of the new fee structure went smoothly.

On June 27, 2013, and again partly in thanks to the work of this Council, Ordinance 946 was adopted. This Ordinance amended the County's Subdivision Ordinance to require multi-modal circulation networks allowing travel by bicyclists, public transportation vehicles and their passengers, and pedestrians of all ages and abilities. Kaua'i was the first County in the State to adjust its zoning implementation codes to encourage smart growth infrastructure. This hallmark legislation pairs with Kaua'i's leadership in being the first in

the State of Hawai'i to have its Council adopt a complete streets policy by Resolution in 2010.

In February of this year, members of our staff along with Lyle Tabata from the Public Works were invited by the New Partners for Smart Growth to present the County's smart growth efforts at their conference recently held in Denver, Colorado. Renowned multi-modal transportation expert Dan Burden organized the panel with his staff from the Walkable and Livable Communities Institute. County staff were asked to present their on the ground efforts in building momentum behind smart growth initiatives and community place making.

The Department has continued its push, with the guidance of the Planning Commission, to further clarify and make more transparent its enforcement of the Comprehensive Zoning Ordinance (CZO) by adopting Administrative Rules. The Commission adopted at its last meeting in March another set of rules, including guidance for implementation and enforcement of the Transient Vacation Rentals (TVR) certificate program. More rules pertaining to commercial activities on agricultural lands are before the Commission next week Tuesday, and the Department continues to develop more proposals for Commission review.

Thanks to our partnership with the Department of Public Works (DPW) and the work of our Transportation Planner, the County was able to secure approximately \$1.3 million in safe routes to school grants from Hawaii Department of Transportation (DOT). Further the Department was one of eighteen (18) jurisdictions awarded in a nationwide competition of municipalities a parking study grant by the Environmental Protection Agency Smart Growth initiative to conduct parking studies within the Līhu'e area. The awards have shown our County is competitive in these grant solicitations.

Finally, I am sure some of you are now aware there is a brewery on Rice Street. Some of you have also probably had coffee or seen an open mic session a little further down. Hardy Street improvements will be breaking ground shortly. Councilmembers Rapozo and Yukimura were just recently at the groundbreaking of the Rice Camp *kupuna* housing between the brewery and the coffee shop. Yes, we fully expect our *kupuna* to walk up the street and enjoy a tall glass of handcrafted beer. Our Department is thankful for the partnerships we have developed with Public Works, Transportation, and the Office of Economic Development (OED) to aim at purposely revitalizing our Līhu'e town core.

Just to give the Council some illustration as to the momentum we have been able to build since the adoption of the Complete Streets Resolution by the Council in 2010, this illustrates the things that have been happening as we have been progressing towards implementation. You see what first happened was the policy and we are now developing new guidelines for complete streets implementation built upon the Code change and we are also integrating a lot of our philosophy and a lot of ideas in our community plan and presenting these things to the community for their feedback and input. Everything that we have gotten so far has been generally positive.

Just to show that illustration of our staff working with you see Teddy Blake who is on our Community Advisory Committee for south Kaua'i and we believe that public input makes our process and product stronger and we continue to be committed to engaging the public. Here is a picture of Marie at the Smart Growth Conference and you see one of the shots that I really like showing is all of us at the Bill signing for the Complete Streets Bill. Here is a group of our guys and staff and community that have come out for our walking

audit in Po'ipū. It was very heavily attended by the community. I do want to make mention of this one guy here, Peter Nakamura and the successes that we achieved over the past year were in part to his work and he certainly will be missed. This is honestly the only picture I could find of him, because he hated the camera. I do want to acknowledge him for the successes that we have had over the past year.

Beyond our achievements, measuring success over the past year comes in an evaluation of the benchmarks that we set and whether we are hitting the goals that we set for ourselves. Last year the Department came before the Council and set three demotic goals one persistence on long-range project completion with focus on delivery, two ensure customer service and e-transitions are continued and built upon, and three build on enforcement. Per the budget's instructions from the Council our Department has provided a matrix of the status of those fiscal year goals in the written submittal and where we are three-quarters of the way through this fiscal year. Let me briefly give you some description as to where we are right now. First with respect to long-range planning our Department has made great strides towards completing our plans in process, so much so that we can see the light at the end of the tunnel. We opened public hearings at Commission on the first three sets of ordinances comprising our CZO Update Phase II and we are in the final editing stages of two of our four General Plan Technical Studies. The other two Technical Studies should be complete within the next six months. Our Impact Fee study has been transmitted to our Agency stakeholders in a draft form. A meeting with the consultant is scheduled for the end of this month.

The Important Agricultural Lands (IAL) report has been submitted to the Planning Commission for their review and is undergoing finishing touches. We have been steadily making progress on our conversion to a more digital interface with the public and we continue to make improvements to our enforcement program. With respect to digitizing our Department, we have made the staff adjustments necessary to implement the ePlan initiative. We have also made the appropriate rules and policy changes necessary to match the logistical needs of facilitating the program. We have widened our paperless initiatives. We have purchased additional iPads for staff use. We have also expanded the number of submittals necessary to our Department for paperless submission. Finally, we have expanded our use of social media by openly inviting engagement via Facebook and Instagram. You can see here one of our standard slides in south Kaula'i where we tell people to send us pictures, let us know what you think south Kaula'i should look like. We invite them to use these hash tags on their social media posts. We are actually up to 99 friends on Facebook now on our Department page and if you have Facebook you could actually be our 100th friend. We are aware that our Information Technology (IT) Division has a lot of things to do and although we would like to see progress on having a digitized land management system we understand there is a commitment there to do that, but there are other priorities in the pipeline and when they are available we would be able to move forward on that goal.

Now enforcement has been an area in our Department where we needed to invest a lot of time and effort in order to bring us to a level of excellence. The last year was difficult given the high-level of scrutiny our enforcement program was under, I think it benefited us in the long run because it prompted us to self-evaluate our work and accept our failures. Sometimes admitting shortcomings is the first step towards the process of improvement and I live that has created a paradigm shift with our staff to seek excellence versus just getting by. Thankfully we made adjustments to stabilized our enforcement program, including seeking leadership, consolidating functions, creating new ones and broadening partnerships with our sister agencies. We continue to invest with training in our staff and

set targets for outcomes. As you can see from our report, our Department has hit a high of 110 contested-case hearings. But not all are TVR cases just to be clear. Of which 63 have been resolved by stipulation, reconsideration or abandonment. What I am happy to report is we have actually exceeded our fine cap and have collected to-date \$105,000 in fines based on our enforcement program alone. We do have 14 cases that are presently with the hearings officer for this position that means it is a full-blown contested-case hearing. 33 of these contested-case hearings are still pending disposition. With respect to that money, this Council was gracious in being able to pass a law that allows us to use up to \$100,000 in funds to invest in our enforcement program. This money I commit will not go unused per the legislation of Councilmember Rapozo. Our Department has already begun to utilize the fund by purchasing equipment and has already hired an enforcement research specialist to assist her inspectors with the file research necessary to do the case and generate the paperwork and notices necessary to win should a case actually hit contested case hearing. I would say that we are not quite there, but I am pleased with the steady progress we have been making. I would like to thank Mike Laureta for his work stepping in and getting his arms around the program and setting a course for our initiatives.

We are aware that one of our goals over the past year was to try to integrate digitally our enforcement files with our regulatory files and as I mentioned previously, we are...I do have a commitment from Brandon that we are moving forward on some type of land management system, but given the other competing priorities we are just waiting in the queue. All in all I think we have come close to hitting our benchmarks given our goals over the past year and there are some areas that we have come up short, I admit but I think we have put forward a good effort towards realizing the goals we have set.

So like with any budget proposal we start again with the goal-setting process for this upcoming year. Looking back at the progression of the Department, I have become more cognizant of diminishing returns when you focus on too many things at once. This year we have set two clear succinct areas of work that we believe will continue to strengthen the work in our Department. First long-range planning is at the top of our list. We have been successful in the past, but now we are entering uncharted territory as we seek new leadership for the programs. Second where leadership has worked in the strengthening of our current enforcement program and to continue the progress of aggregating small successes we believe that the organized structure for enforcement needs to be consolidated as a Division under uniform guidance. Just for comparison based on last years goals and this upcoming years goals. I think you will see that there is not much of a change. I would like to describe building upon work that we have done over the past year and trying to again bring that work to a higher level.

With respect to long-range planning, I do want to make a commitment to the Council that we are trying to be as prudent and efficient in trying to recruit a replacement for Peter. That is not one of the goals, but I wanted to mention that for your information. Specifically we do want to see completion of the community plans, specifically a review of the Līhu'e and South Kaua'i plans by the Commission by the first-half of Fiscal Year 2015. Further we want to review of the East Kaua'i community plan by the Commission by the second-half of Fiscal 2015. We are making another attempt at finishing this plan after we entered into some contractual disputes with the previous consultant. We have retained the University of Hawai'i, Department of Urban and Regional Planning and in fact we are convening a CAC Meeting for East Kaua'i next week. We would like to see completion of the General Plan Technical Studies and launch the General Plan process, specifically completion of the remaining technical studies for the land use build out, health, and coastal hazed studies by the first half of Fiscal Year 2015 and infrastructure and health by the

second-half of Fiscal Year 2015. We have already submitted the paperwork to award a consultant for the General Plan Update and we look on-track to launch the GP process by the first-half of Fiscal Year 2015 and appoint a CAC.

IAL implementation is the next phase of our IAL process. After we present the report to our stakeholders, including this body we hope to begin landowner consultations by the first-half of Fiscal Year 2015. Finally, with respect to the first goal we want to continue implementation healthy place making initiatives. We want to focus on the Rice Street redevelopment initiatives with our partnerships with OED and DPW. We want to support DPW on implementing \$1.3 million in grants from the Safe Routes to School Program and we want to seek more grant funding available for both staff capacity-building and implementation of initiative. Finally we want to launch a new educational campaign on introducing smart growth and benefits of healthy place making.

With respect to our second goal, and this is the enforcement division goal, we would like to create a new enforcement division as part of our second goal. What this means is that we need to reorganize our Department to create a Division and process the necessary Human Resources paperwork to take care of those approvals. We do also once that is done begin recruitment for a new Enforcement Division Supervisor. We also want to continue memorializing our protocols and procedures and rules and strengthen the logistics based on these rules and provide contested-case hearing support. We have found that by providing clear administrative rules and clear processes there is less confusion and less debate as to what exactly should happen as we go through these due process hearings. As you have seen we did hit a high of 110 contested-case hearings and we are down to 33 that we still need to take care of disposition with another 14 currently pending before the hearings officer. We want to bring this number down. This takes a lot of work for the Department and the sooner that we can get this bubble pushed to the pipeline the more we can focus on more proactive initiatives, behind enforcement. Finally like anything, with the change in rules and the change in laws and the constant work that my staff has to do continuing education is necessary to build the capacity to do the work we need to do. So what we would like to do over the next year is establish clear skill benchmarks for inspectors and make clear what their expectations and responsibilities are.

Now that we have laid out our goals for the upcoming fiscal year certainly there are elements that could knock us off course or cause us to slow down. Here are the five challenges that we can foresee for the Department in the upcoming year. You may recognize them as they have not fundamentally changed over the past twelve months. The first one is the lack of office space. Given the recent space study by DPW if you aggregate the space our Department currently occupies, it is about half of what we need. Further our Department has nearly hit the projected target for that studied space outlined in the study given the number of employees where we are at with our Department right now. We are coming to a scenario where I am becoming concerned about the delays in making progress specifically on the secured consolidated office space and the effect on office morale. We have staff and files located in three different locations, files located in five different rooms, including the Kapule lobby. One of my concerns is the lack of file security and organization. I have made a map just to illustrate what my staff, when we are tasked to do research on a particular parcel, the places that they have to go throughout the County to actually find a file. You will notice that we have staff in three different locations, and we have files spread between the basement in Kapule, the lobby in Kapule, our own Office, as well as in the Piikoi Building. It does present a challenge for our staff to be able to maintain an organized file system as well as being able to provide accurate and clear information for the public. Here is an illustration of where our files are in our office. This is where our Class

IV files are. With respect to cramped quarters we have to pretty much keep files almost stacked to the ceiling in certain cases. This is my inspector's station and this is the head of my tech section, Wes' station and we do not even have a place to layout plans. So the staffers when they have to review plans they have to lay them out on the counter because there is no desk space for being able to store the plans, as well as review them. Here is a picture of our TVR files and you will notice that these are the files that are in the lobby. Again we want it in a consolidated space but this is the only consolidated space that we could find.

Beyond office space, we do have other challenges. We do continue to have challenges with meeting our match requirements under the CZM grant proposal. As you know CZM grant funds which you know are matched dollar for dollar by in-kind or direct appropriations and we have been having to spend more staff time, as well as make direct expenditures to make sure that we maintain the maximum level of grant funding under the CZM program.

E-filing we see successes but it continues to be a problem for us, just because of our Code and our processes still need to be matched with the ePlan system that the Public Works has implemented. We can participate as part of the program, but being able to manage our own files in a digital space still requires work by the IT Division. Again, we mentioned that we understand they are very backed up, but we will need some type of plug-in into that system to fully realize efficiencies of e-filing. We have had success in long-range, but again, this is an additional pressure for the Department. We do have numerous studies that we are keeping track of. Luckily we have an 89-day hire that has been helping us with contract management but like anything, this just requires a lot of detailed attention and monitoring to make sure that we are not having things slip through the cracks.

Finally, as I mentioned with respect to enforcement, many of the challenges that I have Councilmembers are aware of and something that we need to provide detailed attention to and persistence on an effort to ensure that we are making the progress that is being expected of our Department. As I mentioned earlier, one of our two schematic goals is a stand up an enforcement division. Enforcement is always a difficult thing because of the nature of the work. Our Office has to work as a Police Department and then provide the services as if we are a Judiciary. Our budget proposal centers around addressing the challenge head on and it has become clear for better administrative structure is leadership and that is why we are seeking to have leadership as part of our budget proposal this upcoming year.

Training and rules are always something that we need to keep on top of and to maintain the persistence and attention to make ripe a lot of the issues that have become apparent with our program. From an organizational part I just want to give the Council some illustration to what we are talking about. This is a proposed organizational chart and you will see an enforcement division is put on par with the other three divisions we currently have in our Department. Currently enforcement has been spread between the three divisions and I think by consolidating the Human Resources and providing clear leadership we can make the necessary changes possible, which we have already kind of seen under Mr. Laureta's leadership. Structurally we have a Planner VII oversee the TVR program, the CZM enforcement activities, and the regular CZO enforcement activities. If you move from left to right you will notice that we have our TVR, our coastal section, and then our CZO enforcement section. You will notice at the bottom that a Planner I is part of the structure. But right now in order to support the TVR program, we have had to borrow

from the long range program, a Planner I to support the TVR renewals and processing. We have an 89-day person supporting enforcement of the program as a research specialist and again, that is being paid for out of fines that my Department has received based on enforcement efforts. This is just to tie the loop in. This is the back-end of where that Planner I is. Typically we have that person supporting our Planner VI but because of the more pressing needs in the TVR program we have had to trim the...I guess the Human Resources investment in long-range planning. I will mention that right now that the Planner VII, which was Peter Nakamura, we do not have at this time. So you will notice we are about two people down in the long-range division.

Now that we presented our goals and objectives and challenges, what does this all mean? I think that is why we are sitting around the table and what does it mean from a dollars and cents stand point. Here is the breakdown of our budget. It is in our budget report that we have submitted. You will notice that the budget request reflects a 9.4% increase compared to last year's budget. The source of the increase generally comes again as the Collective Bargaining... as a result of the Collective Bargaining increases. That is largely attributed to it. The fringe costs again I think is kind of offset given some of the reductions in OPEB that I am sure the Council is aware of across the board. The other large contributor to that increase in the budget is the utilization of a dollar-funded position which is the Commission Support Clerk to create that the key enforcement leadership position and solidify the temporary staff adjustments that we made to address the department weaknesses in our enforcement program. During the TVR hearings last year Councilmember Hooser supported the idea of us looking at whether the cost of the TVR program is actually matching the amount of fees. So based off of the staff adjustments that we have made in order to have a program run, we have determined that an increase in the TVR fee is necessary and so to offset the cost of that additional position we are requesting a \$250 increase in the TVR processing fee. There are also minor adjustments to the Sea Grant Program because our Sea Grant Extension Agent is part of the Collective Bargaining Unit at the University of Hawai'i and so there are adjustments to address that, as well as vacation payout and some Commission support that the Commission has requested over the upcoming year.

Here is I guess a picture showing what the last fiscal year looked like with respect to a budget breakdown. Here is the upcoming year and you notice that generally there has not been much deviation in the proportion of spending that our Department has as part of its operating budget. Here is a final image that Tommy Noyes took at the Smart Growth Conference. I think you can see the room is full, and there is pretty much standing-room only in the back. The words below are things that I have put above our office door and these are things that I expect my staff every time they go into the world or they greet people that are coming in to our office, to display and carry with themselves. Because I believe that these values represent the work that this County would expect of us and is what I expect of my Department employees. I continue to look forward to the work that our Department can do together in service of this County. *Mahalo*.

Chair Furfaro: Thank you Mike for a very thorough and direct-to-the-point presentation. Thank you very much. Starting with questions, I think I will go to JoAnn if she would like to start.

Ms. Yukimura: Thank you, Chair. Mike, thank you for an excellent presentation.

Mr. Dahilig: Thank you.

Ms. Yukimura: I think you have given us a lot of better understanding of what the Planning Department is and I appreciate the analysis of both your problems and your opportunities, which are really on behalf of the people of this island. So thank you for that. First of all, I applaud your thinking on an enforcement division. I just wanted to understand how you are getting there, you said you are taking a position...an existing position and which one is that?

Mr. Dahilig: It is a dollar-funded position in the previous budget that was position 2010. That was a Commission Support Clerk position.

Ms. Yukimura: You are now proposing that it be...a Planner VII?

Mr. Dahilig: Yes. You will notice it has been converted to an SR-28 at a budgeted salary of \$64,920.

Ms. Yukimura: Okay. You did acknowledge that we are doing this somewhat at the expense of our long-range planning division?

Mr. Dahilig: That is something that we have had to do to stop the bleeding. When we looked at the Department in totality, our regulatory division is very pressed and so we have moved temporarily part of the work that Marisa Valenciano's allocated over to the TVR program to support the renewal efforts.

Ms. Yukimura: That is the division head at this point?

Mr. Dahilig: The Division Head is on top of what Marisa is doing. Given the austere situation that the County is in, that Planner I, that low-level Planner function is something that is going to be persistent. It is not something that we can absorb based on what we found as the work deems. Given some of the fiscal challenges in understanding what priority is, the leadership piece was more of a priority for me.

Ms. Yukimura: Can we have that slide back up? Slide 29? It shows your organizational chart for the enforcement division that you want to create, right?

Mr. Dahilig: Right.

Ms. Yukimura: So that Planner VII will be there and that is vacant right now and you will recruit for it?

Mr. Dahilig: Yes. So we want to do is convert the position from an Account Clerk to a Planner VII, and then recruit that position to then lead the program.

Ms. Yukimura: Then you are having...the other positions are filled?

Mr. Dahilig: The other positions are filled, all warm bodies.

Ms. Yukimura: When you have the TVR program you are indicating that the TVR program is included, but not the only thing that your enforcement crews are going to be doing?

Mr. Dahilig: That is correct. Like anything, the TVR enforcement is interrelated because it does involve some analysis of CZO violations. So that is why we have...that is where we have found efficiencies in enforcement by having a unified leadership structure to look at the three different sections. So although the TVR program is one...I guess you would call it a "branch." It is reliant on work that the other branches do.

Ms. Yukimura: I think that is good. I do not see TVR as a separate enforcement division or structure at all. I think that is all part of our enforcement efforts.

Mr. Dahilig: That is correct.

Ms. Yukimura: Maybe one of the good spinoffs from the whole TVR controversy is that we are going to develop really good enforcement practices, whatever the enforcement issue is. Whether it is TVR or anything else that needs enforcing. That is your intention here, right?

Mr. Dahilig: That is our intention. I believe given the intricacies of our Code, having certain inspectors specialized with certain areas of the Code, I think at least from a development of a product that gets before a contested-case hearing's officer is important. At the same time, issue-spotting across all three areas of the Code that we enforce, TVR, CZO, and coastal and CZM enforcement I think is important for our staff to have a working understanding and if there are issues that can be spotted on say a coastal inspection related to TVR, that information can be easily issue spotted and passed off to a TVR inspector for further analysis, given their more in-depth understanding of that part of the law.

Ms. Yukimura: There are certain commonalities to all violation handling including inspections, legal protocols, etc.?

Mr. Dahilig: I agree, yes.

Ms. Yukimura: So you have a TVR program on one side and the other side, what is the other?

Mr. Dahilig: The middle position is the grant-funded CZM inspection officer, enforcement officer, that particular individual is Les Milnes and he oversees coastal...whenever we have coastal complaints that is what he takes care of. On the right you have our CZO enforcement, things related to setbacks, overuse of the property through additional density, you know, squatting all of these different things that are not...that are in the Code. That is what the section on the far right takes care of.

Ms. Yukimura: But TVR is part of the CZO?

Mr. Dahilig: Right, it is.

Ms. Yukimura: Okay. So ultimately, you have CZO inspectors who have different specialties.

Mr. Dahilig: That is correct.

Ms. Yukimura: The CZM enforcement is required to be separate because of the funding?

Mr. Dahilig: That is correct. It is a Civil Service limited-term position. So we have been thankful that the funds have continued to come in from the Office of Planning to support that initiative. But because it is funded through the program, it has to rely on coastal-related issues.

Ms. Yukimura: This planner I at the bottom of the TVR program column that is special funding as well?

Mr. Dahilig: No that is long-range. We are borrowing the position from long-range to support...the TVR program has two separate functions. One is actually the enforcement of the TVR program, the other one is the actual certificate renewal and the maintenance of files and analyses of submittals on an annual basis as required under the Code so that is what the low-level planner is meant to address is that permit processing function. What we have realized and tried to address based off of the discussions with Council that function needs to be separated from the inspectors because of some of the issues that arose. It is really two functions in one when you talk about it as a program.

Ms. Yukimura: Okay. If we can go to slide...it is hard for me to see the number. 12. I was going to the enforcement statistics, which is related.

Mr. Chock: So the CZM enforcement officer at the end of the fiscal period, is that something that is applied for on an annual basis?

Mr. Dahilig: It is a rolling grant. So it is a pass-through to the Office of Planning that comes directly from the Department of Commerce through the National Oceanic and Atmospheric Administration (NOAA) program. NOAA has CZM moneys spread nationwide through states that have adopted a coastal zone management program and Hawai'i has one of the states that has adopted a CZM program and is therefore eligible for these Federal funds. In actuality we are implementing a Federal grant through a pass-through from the Office of Planning.

Mr. Chock: So in terms of future support on this position, what is the forecast?

Mr. Dahilig: I believe that when we look at the...at least the information that has come through the Office of Planning, based on conversations from their counterparts in Washington, D.C., that at least the Obama Administration has not signaled any type of massive reduction in the funding. However, what I would describe it is as level-funding. So what that does in essence is places pressure as Collective Bargaining elements go into place, specifically these increases, the portion of the budget that is meant for more discretionary spending is being eaten up already as we see it. Right now we have the opportunity to potentially fund four...up to four positions out of the CZM grant. The concern is that at what point will the discretionary moneys be eaten up because of the level-funding from the Federal government to which we may have to look at reduction in force types of means to maintain some of the employees in the program. So I think at this point, given the upcoming fiscal year, and given the indications that we have gotten from the Office of Planning, we are in a good place right now. But looking out two, three, four years,

given the projected Collective Bargaining increases that we are seeing, it will start to put pressure on the budget if we are left with only level-funding.

Mr. Chock: Okay. How much does that account for?

Mr. Dahilig: The total lump sum of the grant right now is about \$280,000 a year.

Mr. Chock: Thank you.

Chair Furfaro: JoAnn you still have the floor thank you. The CZM enforcement officer position is not in the list in our budget?

Mr. Dahilig: I guess it is transmits as an addendum of the overall budget, but not coming out of the General Funds.

Ms. Yukimura: It is not General Fund. Can you provide a breakdown of our CZM funding?

Chair Furfaro: Can you just clarify what you just said, is it? In the budget?

Mr. Dahilig: The CZM grant funds are not considered part of this budget.

Chair Furfaro: Therefore, like every other Department if it is 100% through a grant, you are not showing it as funds, but the positions are planned to be in the operating costs?

Mr. Dahilig: That I am not clear exactly how that works.

Chair Furfaro: Steve can you help us here so we can get an understanding?

Ms. Yukimura: I think the other Departments may list them but then say they are grants. No, we do not list them?

Chair Furfaro: I would like to follow-up on my additional question. Could I get from the Administration clarity so that we have continuity and consistency in the budget. He is talking about positions fully funded by grants. Some of the Departments we have seen, none of the grants show up. How are we handling Planning? What was it? \$280,000?

Mr. Dahilig: \$280,000 as a grant budget.

Chair Furfaro: Nobody wants to answer? I will send it over as a question. Okay. I just want to be consistent when I hear something that is covered by grant money and not County money because we are only dealing with money from the General Fund or Highway Fund.

STEVEN A. HUNT, Director of Finance: Correct.

Chair Furfaro: How are we handling it here?

Mr. Hunt: In Planning, it is not showing up in that position
as funded by the grant.

Chair Furfaro: So the revenue is not showing up and the
expense is not showing up?

Mr. Hunt: Correct.

Chair Furfaro: So for us it is kind of like it is there until the
grant runs out. That is your point, right, Mike?

Mr. Dahilig: Given a response to Councilmember Chock's
question, that is what you can deduce.

Chair Furfaro: That is what we can summarize, the Obama
Administration gives us no more opportunity for that grant, we then have to rethink a cost
if we want to continue the management and oversight of this particular area of needs?

Mr. Dahilig: I agree.

Chair Furfaro: Steve, thank you very much.

Ms. Yukimura: I have a question for Steve.

Chair Furfaro: You still have the floor. Steve, JoAnn.

Ms. Yukimura: In other Departments nobody includes their
grant positions in their position list?

Mr. Hunt: They will show, like for instance in Motor
Vehicle, a State-funded position. We will show a dollar-fund on our side.

Ms. Yukimura: And explain?

Mr. Hunt: And explain it is funded through the State grant.
So there are positions that are shown, but the funding source is...

Ms. Yukimura: I think the Chair is right in asking for a
standardized process, because then it shows us the total number of positions in your
Department so maybe next year that can be done. But just then it gives us the big-picture
actually of number of positions? Total cost to operate? If we know there are grants.

Chair Furfaro: Can I clarify that for a second?

Ms. Yukimura: Sure.

Chair Furfaro: JoAnn is exactly right, we got all of the grant
funding. You gave us that report, but typically in the past, by the time we get to the May 8th
submittal, you will have those grants there and identifying those grants with positions that
are available. That is what has happened in past.

Ms. Yukimura: It is helpful to see it in the context of the Department's total picture. So we are just getting better and better at this. So that will help next time to have that. So may I continue then?

Chair Furfaro: You have the floor. I just wanted to follow-up with clarity here.

Ms. Yukimura: Mike, actually the CZM enforcement officer is the one who would enforce shoreline setback if there are violations, is it not?

Mr. Dahilig: That is correct.

Ms. Yukimura: So that is an issue before us. Laws are useless without enforcement.

Mr. Dahilig: That is correct.

Ms. Yukimura: So that is why it is good that you are focusing some energy and look at how we are doing enforcement. So if we could go to slide 12 "enforcement statistics." So I appreciate this slide very much, because it is a follow-up on all of our concerns about TVR enforcement. You are saying that 63 appeals resolved by stipulation, reconsideration or abandonment by the...

Mr. Dahilig: Yes, by the actual holder.

Ms. Yukimura: Okay. And then 14 cases went to the hearings officer for disposition and are presently in hearings mode?

Mr. Dahilig: They are in hearings mode.

Ms. Yukimura: Are these mainly TVRs?

Mr. Dahilig: They are mainly TVRs. I would say they are a blend of existing certificates or in a couple of cases they do not have a certificate.

Ms. Yukimura: Good...I mean good that you are going after those, too.

Mr. Dahilig: Okay.

Ms. Yukimura: Then 33 still pending disposition, which means they are in what phase? You are still gathering information or preparing the case?

Mr. Dahilig: I think part of it and this is cognizant of the fact that when we send things to a hearings officer, it is expensive. So whether we can come to some type of...in certain cases, amicable settlement on getting them to compliance or down the path of coming into compliance, those are things Mike along with his staff are discussing with these violators. So we are not giving the...we are not pushing for just purely efficiency reasons, but I think like any...like running any kind of court system, you want to try to come to some type of mediated point of action versus heading directly into a court. So our philosophy has been what can we do here? So I think when you look at the

number 33, they are in various stages of either factual-discovery where we are sharing information with each other. They may be negotiating certain actions, but they have not reached the level where we think that no-deal and then we go to a hearings officer. I think the 14 actually reflect a no-deal type of scenario.

Ms. Yukimura: Okay. So I mean you are going to look at the...you will gather all the facts and based on the facts, you are going to decide? If we have no chance of prevailing in a contested-case hearing, you are not going to go forward in a contested case?

Mr. Dahilig: That is correct. That is correct.

Ms. Yukimura: On the other hand if it is clear that we have a really good case, you are not going to settle?

Mr. Dahilig: That is correct.

Ms. Yukimura: Okay. So there is this whole gray area between a clear case to convict and not sufficient evidence to convict.

Mr. Dahilig: That is a case-by-case analysis that yes in fact we make.

Ms. Yukimura: These are TVR?

Mr. Dahilig: Right now mainly TVRs. There are a couple non-TV R related contested case hearings. I believe there is actually one that dealing with at hearings officer level that does involve a contested fine. It varies. I cannot really put them into one genre.

Ms. Yukimura: You said you have hired an enforcement specialist?

Mr. Dahilig: Yes.

Ms. Yukimura: So you are contracting with somebody to help you analyze these cases?

Mr. Dahilig: Yes. So because of the legislation that this Council passed allows us to spend the fine funds, we have taken moneys from the fine account to actually pay for an enforcement specialist to act as a support for getting cases either to contested-case hearings and supporting the prosecution side, you would call of, of our house. What we have done to reorganize and support the Commission side of the house which act as the judiciary, we have repurposed one position to assist the Commission with case management and case filing and scheduling of hearings with the hearings officer. So that is kind of...we had to create essentially a firewall with the prosecution and case presentation side and then the Commission support side that is in there.

Ms. Yukimura: That is working the enforcement specialist is working for you?

Mr. Dahilig: She has been on board I would say about a month now. So at least all indications that I have gotten from Mike in terms of the support she has been providing has been an addition to our efforts. I believe we are on the right path having that position in there.

Ms. Yukimura: Thank you. I have questions about other parts of this, but I think members might want to talk about enforcement or ask questions, other members. So I will yield the floor.

Chair Furfaro: Any questions in this area right now? If not, I have one. So Mike, I will send this over, but we were just talking about is you keep having this repetitive grant for the CZM year 2011, 2013, this one is 2014. It is \$287,000. Now how does this get renewed is what I want to ask? I did not quite hear what the Obama Administration is telling you about the future success of this repetitive grant.

Mr. Dahilig: So I guess every...right around this time as the State is going through their budget process, too, we get an inquiry from the State Office of Planning that asks us please provide different budget scenarios, either level-funding, an increase of 5%, or decrease of 5%. Upon which time they will get an understanding once the State budget is passed, because what the Office of Planning first does, I guess they take their haircut first off the lump sum that comes to Hawai'i to help administer the grant. Depending on whether or not the budget passed by the Legislature either provides the position support or does not provide the position support, the Office of Planning then determines what its haircut is. After that, we then get a final figure around, I guess, late-May, based off of the budget that is passed at the beginning of May. Then we are asked...to finalize what that budget looks like. Then we send it over to the Office of Planning for their approval. Then the funds are done, are handled that way.

Chair Furfaro: So this should be coming up on our radar screen pretty soon?

Mr. Dahilig: Yes, sir.

Chair Furfaro: You choose the terminology of "getting a haircut?"

Mr. Dahilig: Yes, sir.

Chair Furfaro: So for three years, we only got a crew cut, with \$287,000. What are the chances next time you are in the barbershop we are not going to be bald?

Mr. Dahilig: I think for this upcoming fiscal year, given the indications from the Office of Planning, level-funding looks like the most probable scenario that will probably happen.

Chair Furfaro: So you are feeling pretty good that we will see a repeat, for a fourth time of the \$287,000?

Mr. Dahilig: I think we are feeling...I do not know if "confident" is the right word, but we feel confident that we will not see something drastic that is unpredictable. I think we can predict it will be around that amount.

Chair Furfaro: That will be the fourth year the same amount?

Mr. Dahilig: That is correct, Chair.

Chair Furfaro: Okay. JoAnn, now we can move on.

Ms. Yukimura: Thank you. So I wanted to talk about Important Agricultural Lands implementation. What is exactly coming up to us and what is "implementation" and how do you envision that?

Mr. Dahilig: At the end of the day, what the Councilmembers will receive once we finalize the verbiage from our Commission process, because we want to make sure that the Commission is aware and understands what the study is; that the IAL study includes an analysis of all the agricultural lands on the island, and as many Councilmembers are aware, these areas have been scored based off the eight criteria that are weighted and inputted into a GIS system. We have a tool that is online already that the Councilmembers can look at. But what it will have is a recommendation of what is the threshold between 28...I guess 28 is the threshold or the score of what should be considered IAL based on eight criteria and what should not? In terms of implementation, what we characterize as implementation is a frank policy discussion with this body, as if 28 is an agreeable threshold based on the information that we provided, how much IAL should be put into the ultimate resolution that this body has to pass to trigger the police power proceeding? We have options out there. Certainly they range from everything in 28 to as many of you are aware, Professor Kim at the University of Hawai'i's proposal based on the Shintani Study to other means of coming to an amount of land that should be asked for police power proceedings before the Land Use Commission. So we are not making a final recommendation to the body as to specifically how much, but is providing a number of policy scenarios to have that kind of frank discussion. Because I think there has been concern about our consultant's methodology to calculating a specific number and certainly recognize that the recognition of important ag lands is partially scientific, but also policy. We want to be sensitive to that and not make any type of, I guess direct recommendations without going through that policy discussion with the Council.

Ms. Yukimura: So the IAL report that is coming up to us does not have a policy recommendation?

Mr. Dahilig: It has policy recommendations, I would say.

Ms. Yukimura: About which lands to designate IAL?

Mr. Dahilig: Yes. So based on the tool, there will be maps that show all the areas that have been mapped and analyzed based on the weighted process of the 28 weighted criteria. From there, how much of that 28 land and that is one part of our recommendation that we believe 28 is the number based off of the tool that the University of Hawai'i has presented. The question of how much is a deeper discussion that I do not think is fair for us to get that detailed into the specific policy recommendation. We will stand by the 28 recommendation, but how much of that 28 land should be put into the hopper for the LUC process, I think deserves more discussion.

Ms. Yukimura: Are you going to be prepared to tell us how you are planning to regulate the Important Ag Lands so that we know what we are actually designating the lands for?

Mr. Dahilig: That is exactly what we intend to do. Given that we knew this report was coming out and one of the very first packages that we floated as part of the public hearing process is changed to the Ag Law, the CZO Ag Law and specifically what we are anticipating is accommodations in the event that the Council should want to act and adopt an Important Ag Land Resolution. So the law creates two classes of...not the law, but the bill right now proposes the classification of two different types of Ag, specifically Ag I and Ag II, where Ag I would be all lands designated as IAL and we have a regulatory proposal based off of IAL designation, should that ever happen. So we want to be ahead of the curve from a County zoning standpoint rather than behind the curve and those are the discussions going on right now at the Planning Commission.

Ms. Yukimura: You have said that you are going to start landlord consultations. I was wondering what that is.

Mr. Dahilig: Once we get an idea from this body what the policy should be with regards to the amount of land that needs to be designated, should the 28 recommendation be, I guess, agreed to, given the study, then we are able to better identify what landowners will be affected should the Council set an overall threshold of lands. So once that discussion happens with this body, we would identify and begin the landlord consultations that are required under law for us to begin the process.

Ms. Yukimura: That includes the State as landowner? You are taking into account State-owned land?

Mr. Dahilig: We are taking into account State-owned land. I am a little unclear as to exactly what the Council's jurisdiction is over being able to designate those as IAL. It is probably a better question for the Attorney to answer.

Ms. Yukimura: I hope you ask them before you come up to us with the report.

Mr. Dahilig: I will make a note of that.

Ms. Yukimura: It is Ag lands on this island and it seems to me it has to be included in the evaluation of the quality of Ag land and if it is IAL, it should be IAL.

Mr. Dahilig: So the information is there. So you do have all of those lands are scored. So the information is available. But we will follow-up on the question.

Ms. Yukimura: Thank you. I have other questions, but not about IAL and maybe there are other questions that Councilmembers have.

Chair Furfaro: Mike, I think it is time before I recognize Mr. Hooser that we do get a little bit of an update on the IAL, so watch for that communication coming over to you soon.

Mr. Dahilig: Sure, thank you.

Chair Furfaro: Mr. Hooser, you have the floor.

Mr. Hooser: Mr. Chair, that is exactly what I was going to say. I can ask a question or two, but I think we need a robust discussion on this. Sooner rather than later. I would hate to see the train move too far down the track without getting input from the Council as well. I agree with Councilmember Yukimura that obviously that the State...there is a lot of State Ag lands here and even if we do not have the legal authority to designate, they can still hold that space in terms of our overall Ag.

Mr. Dahilig: I agree.

Mr. Hooser: You had mentioned and I know we do not want to talk too much policy here today, but I wanted to ask one follow-up question. I enjoyed your presentation and I want to preface it with that and thank you for the thought you put into it.

Mr. Dahilig: Thank you.

Mr. Hooser: You mentioned, I believe, two tiers of Ag land, Important Ag Land and everything else and the possibility of ordinances impacting the uses of both of those.

Mr. Dahilig: That is correct.

Mr. Hooser: So I would hope that would be part of our discussion also, when we come to the full Council. Do you envision those lands that are not Important Ag Lands for designation having a broader land use potential other than agriculture? Is that the track that we are going down?

Mr. Dahilig: I think our recommendation would be characterized at least as being presented heard by the Planning Commission as status quo. Given what our current regulatory regime is. We are not looking at loosening up those IALs that are not IAL. I think what we are looking at is an approach that takes the protection of IAL one level higher. So I would not characterize the proposal as having any kind of fundamental regulatory changes than what we are used to right now.

Mr. Hooser: Thank you. It has been an ongoing concern of mine that just because land is not designated as Important Ag Land does not mean it is not Important Ag Land, but still land to protect and be careful how we utilize.

Mr. Dahilig: I agree.

Mr. Hooser: Thank you, Mike. Thank you, Chair.

Chair Furfaro: I will ask the Vice Chair of the Planning Committee with Mr. Hooser to put together a communication for me to put this on the schedule of a regular Committee Meeting.

Mr. Dahilig: We will be ready.

Chair Furfaro: One more question along those lines you had mentioned in your presentation there was a contract dispute with one of our planners. Is that something that we should be forecasting in the, but not limited budget here? Is there a discrepancy that will lead us to some cost to exit a contract?

Mr. Dahilig: I would say we are at a position that we are at a position of a meeting of the minds and hopefully settling it this way, we are actually incurring less costs than letting the contractor run through the full course of the contract. We had concerns about what was going on and before the full payout of the budgeted amount or contracted amount we put a stop to things and said we have got to look at things here. So I would not expect any kind of additional costs at this point. Certainly if that does happen, we will forward the information.

Chair Furfaro: There is no surprise here for us, but what I am hearing from you there is a meeting of the minds on a way to mutually agree to exit from a contract?

Mr. Dahilig: That is my understanding with the negotiations.

Chair Furfaro: You just mentioned it in your presentation and I wanted to make sure there were no hidden costs. JoAnn, go right ahead.

Ms. Yukimura: I do want to say the use of hash tags and I do not know what you call them...I love that you are using the new technology to involve the public. Hopefully the younger generation as well, because they are so good at this kind of communication. My question came up during our CIP discussions on the General Plan Update and my concern that one of the key issues in the General Plan Update will be growth. That we will need a very good understanding of the legal parameters for managing growth. We have been in a luxury position since 2008 because we have had a slow-down, but we remember prior to 2008 what it was like. The fact that we are...in my opinion, so over zoned, means that the issue is going to come up, because it is coming up everywhere, what volume of tourists can this island handle? What kind of traffic? All of these are related to growth. So the 3,000 to 9,000 units that are resort units that are 3,000 to 9,000 units that are somehow...somewhat entitled, what are we going to do with that? What happens if they begin to build out and bring in the kind of population growth?

Chair Furfaro: That is another Planning Committee question. Let us stay on the budget. I know what you are going to say come back to that, but we just spent \$1.2 million in the last year and a half to do statistically information to get us to a point that we can do a General Plan. This is the budget session. I would be glad to put it on a Planning Committee item and talk about it because it is serious. But we have 45 minutes here for budget.

Ms. Yukimura: I will try to make it shorter, but I believe it is a budget issue.

Chair Furfaro: I do not.

Ms. Yukimura: I want to know how we are going to address this issue in the General Plan Update and whether you need money to do it?

Mr. Dahilig: I will say that as you are aware, our General Plan Updates and community plans go through a community process. Like anything, we try to put together a cross-section of community members to get a pulse and an idea of where our planners should be directing their efforts with respect to analyses? Certainly the issues that you raised with respect to the amount of unfettered growth that has happened in the past and whether that needs to be controlled through regulatory means are areas that if the CAC wants to start going down that trail we have to be prepared to support. I think what you are suggesting are areas that we need to be prepared for in anticipation of some of these policy questions that may come up during the CAC process. We do have...I believe at this point, some wiggle room with our remainder in the balance of our General Plan Update line item to maybe take a look at whether some type of white paper or something may be appropriate to at least give the CAC some legal parameters with respect to addressing these types of issues. So we are not, I guess, essentially wasting time. I think it is something that I am open to a discussion with. I would be...I do not think it is appropriate for me to throw a figure out on the floor. Certainly we can work it within our current appropriation allowances. I would rather look at it that way first than just saying that I need an extra \$40,000. So we would probably need a little bit of time to take a look at it and see whether or not we can take care of these issues and address these issues in-house, or with the moneys that we already have, versus just trying to pad our budget. So we can take a look at that.

Ms. Yukimura: Thank you. I appreciate that you are trying to do it cost-effectively and I just want to clarify, it is not about statistics. It is about the legal issues and parameters for managing growth, which I believe we will come right up to. We have with every other prior General Plan Update that has been a key issue. I appreciate your willingness to take a look.

Mr. Dahilig: Okay.

Ms. Yukimura: Lastly, your discussion about the...how do I explain it? The need for better IT support in the development of our data and your files and your information and your applications is signaling to me there is a major interdepartmental issue that needs to be addressed, just like our Human Resources Payroll issues that affects all. So does this whole GIS system. I would like to know if...I guess I am looking at the possibility of adding another high-level position in IT that would focus on this particular initiative. Because we have heard it from everywhere that this is both needed and has a lot of potential, even for public access to information. So I just wondered what thoughts you have on that?

Mr. Dahilig: I think looking down the road, the ideal scenario for anybody that deals with regulation in the County, I would say you have a spatial map, and if you click on a parcel that all the different permits and all the different files and everything can be accessible through some type of GIS interface. I think that is the goal that I think many of us are operating under the same impression on. On the flipside, the intake and the processing of additional regulatory applications is done paperless. So that everything is a seamless system and everything is in one place. I think one of our, I guess, challenges with how our Department operates in contrast to the current ePlan review process that is in place is that we essentially operate the opposite way from the way that the building regulations are setup. You have a plan that comes in and is analyzed a certain way, versus our Department, we take a look at approvals first and all of the different scenarios and we get down to the plan. Specifically, I would characterize that as how the Class IV zoning permit process is now. So the way the ePlan permit system is set up, we

cannot catalog both, I guess, based on our regulatory requirements, that process of whittling down the spatial analyses and documentation and it requires away for us to have some type of interface to talk to ePlan with.

Ms. Yukimura: It seems like the e-file tail is wagging the overall GIS dog.

Mr. Dahilig: I guess I would not characterize it that way in the sense that we know there are plug-ins and we have been made aware of that. There are plug-ins that can be made, if we have a line management system that talks to ePlan and that can talk to our GIS system. So essentially it is building around.

Ms. Yukimura: You are building around the ePlan rather than starting from the beginning and saying what are all of the land management plan functions? The permitting processes that have to integrate?

Mr. Dahilig: I guess given the decision to go down the ePlan route, at least the way that I would look at it, it was the most paper-intensive process that was currently...when you look at the overall regulatory regime.

Ms. Yukimura: I know.

Mr. Dahilig: That was the most paper-intensive element and that is why I think there was some deliberate purpose behind wanting to build behind that process first.

Ms. Yukimura: I do not think any of the ePlan efforts were bad. I have commended that we are doing that, but if you step back and look at the larger picture, because you talk about codes and processes, that you cannot do yet, because the interface has not been figured out.

Mr. Dahilig: Yes.

Ms. Yukimura: That means it is stopping your process. I will talk to maybe Finance and the Mayor's Office about that. Thank you.

Chair Furfaro: Any other questions? Mr. Chock.

Mr. Chock: Thank you, Chair. I had some questions here in relation to plans for this coming fiscal year there is an increase in consultant services \$45,000 I see here and the services that you are look at implementing?

Mr. Dahilig: Part of what the increase is attributed to, Sea Grant is considered consultant contract and the Collective Bargaining that the University of Hawai'i had to pay for that position is folded in there. One other thing, if you look at the "other services" line item, what previously was allocated for the direct match for CZM programs specifically \$30,000, that was previously under "other services" so that was moved down to "consultant services" to make that more clear where that money is supposed to be spent for.

Mr. Chock: So this figure that we see, it will more of be a consistent figure moving forward?

Mr. Dahilig: Correct.

Mr. Chock: As well as vacation payout, is that cumulative and we will see that come back again?

Mr. Dahilig: Inasmuch as there are individuals in my Department that I would not want to see retire, that is at some point going to be a reality and given the instructions from the Finance Department and the Mayor's Office, concerning how we plan for that, we have to. So these are kind of one-time shot kinds of expenditures.

Mr. Chock: So it is not going to come back next year?

Mr. Dahilig: I can make the commitment that I hope we do not spend it this year and you see it again next year. So hopefully those in my Department do not necessarily retire. So you may see it again next year, but because we have not spent it.

Mr. Chock: Keep them around longer. Good. You spoke about the need for increased space.

Mr. Dahilig: Yes.

Mr. Chock: I can see that is anti-productive and something that you need to look at. So my question I was thinking about the size of the space that you currently have. You said you need about double that amount. What is that amount?

Mr. Dahilig: Right now from the aggregate standpoint we are just about 3,500-3,700 square feet of aggregate space. Given the space study, based on a projected number of employees in the year 2015, we are supposed to have close to 8,000 square feet. We have already hit that target last year in terms of the amount of employees that we anticipate having. So even if we were to move to a space that was planned in the space plan, we would have essentially no space to grow. So any space is welcomed at this point, but if we are going by the methodology laid out in the space plan, even if we are put in what is outlined, we would very quickly outgrow that space, if growth in the Department is anticipated over next few years.

Mr. Chock: Are you part of the planning for the space?

Mr. Dahilig: I have been in consultation with the County Engineer and his staff on where progress is on other efforts and certainly I do not mean to reflect it as them having done an inadequate job because there are other competing issues coming into play because we are not the only Department in the bucket here. Yes, we have been in discussions with DPW but it is just taking a long time.

Mr. Chock: Thank you for the presentation. I appreciate it.

Ms. Yukimura: On the space issue, I really appreciate your advocacy and I urge you to speak up on it, because part of the space problems that you have now are because there was not advocacy on the part of the previous Planning Director. That is why Planning, I feel, was left behind when the space issue was...and so now, and Planning is growing appropriately because the need for Planning is so great. So you should

make sure that 8,000 square feet, maybe a whole different section so you are all together is part of the space planning in the new growth that is going to happen. I have another question.

Chair Furfaro: I want to close this on the General Plan before we go any further. I would encourage members here, I was a member of the last General Plan. When we ended, we all agreed that it might be better to have a couple of years in advance to do some pre-planning, evaluate the CZO, you know? Look at Subdivision Ordinances. Special development plans for certain districts and certainly incorporates the community values. So we said okay, maybe we need to allocate a couple of additional years to do that. So the old plan was passed 75 days after it went through, it was passed by the Council in 2010, on November 29th. Okay? So we are supposed to by State directive, redo this every ten years. So we added two years to the piece. The old General Plan we had a budget of \$480,000. We did not do any pre-planning. So this Council, when I served on it, we approved basically \$2 million. This effort was based on the fact that we would get into these areas of SMA and regional plans and community values and somewhere along the line was that discussion also that dealt with what is on or before carrying capacity? What can we grow? I was assuming that those questions would be shared by the community plans and would also be shared by our legal department as we have spent almost \$1.2 million in the last year and a half to prep us to launch into the General Plan. Now we have \$800,000 of carryover moneys of which Marie has set here and said to us that we feel we can do that. I would encourage if there is any dialogue about getting us to the General Plan so we can mandate what we expect from the Council to you folks in advance, so that they are well-coordinated and that must include the County Attorney's Office on the question about these legal questions that might be challenging us about carrying capacity. That is all I have got to say about that going forward. Okay? So members, you want to have some discussion in Committee about some of these philosophies and so forth, that is where we should do it. Okay? I appreciate all the work that the Planning Department has done, and we have also given a lot of time and money, including the moneys for the Important Ag Land study that needs to be in Committee, not here. Moving on we have half an hour left for budget questions. Go ahead, JoAnn.

Ms. Yukimura: You have on page 72 of your budget, the project manager...two project manager contract positions, dollar-funded. How are you going to use those positions?

Mr. Dahilig: The positions were used as support positions and we are using one as a support position for the manpower necessary to take care of this bubble of plans. We have somebody that we are using as a project assistant to support our planners as they are going through the planning process. So she takes care of the business end of the house, I would say. As well as logistically supporting them when it comes to things like coordinating meetings, editing reports, and these types of things.

Ms. Yukimura: That is good. But it is not funded. So you have that position ongoing now and you are using grant moneys of some sorts?

Mr. Dahilig: We are using residual funds on an 89-day basis.

Ms. Yukimura: Oh, it is an 89-day contract?

Mr. Dahilig: Yes.

Ms. Yukimura: When you say...out of your CIP moneys?

Mr. Dahilig: Some of it has come from CIP previously, but we do have some other moneys in our budget with respect to the salary line item.

Ms. Yukimura: Come Fiscal Year then, to the extent that you have 89-day contract moneys?

Mr. Dahilig: I guess the way I would characterize it, we have had a loss of one of our employees and so that salary that is not being expended and has been repurposed to support that position where it was previously supported through Bond Funds.

Ms. Yukimura: Okay. The other position? Or both are intended to do that the long-range plans to be support positions?

Mr. Dahilig: Right now we are only using one at this point.

Ms. Yukimura: Okay. I just want to say...I am just going to say one sentence with respect to the General Plan Update, based on the Smart Growth Conference this past year, fiscal impacts of various growth scenarios would be very important and we need to make sure that is part of the General Plan thinking and homework. Thank you.

Chair Furfaro: Additional questions for Planning? So Mike, getting up to the date of July 1st, at this point how many positions do you have vacant in your Office?

Mr. Dahilig: At this point we will have just one and that is Peter's.

Chair Furfaro: You will just have because you have identified recruiting or somebody is leaving?

Mr. Dahilig: That is Peter's position.

Chair Furfaro: Where are you with Personnel on the general recruiting? I know you are looking for someone and I heard that through the narrative. Are we advertising for minimum requirements to take us to Honolulu? To the mainland?

Mr. Dahilig: I think it involves a larger, broader discussion. Unfortunately we had this vacancy occur and if it makes the most sense versus there are other ways of creating leadership for the Department? We are going through that process right now of just going through that due diligence and asking ourselves the question, do we just keep it as-is or do we look at changing some of the structure? We are at that juncture right now and once we get clarity, there will be some pretty quick action right afterwards.

Chair Furfaro: Okay. I guess where I am coming from, I will just spit it out, since I cannot seem to talk around it. In the organizational chart that you presented, at some point is the Planning Department going to have two Deputy Planning Directors, one taking care of the routine business, the Commissioners and application side

and someone else who is taking care of the long-range pieces? Do you see yourself splitting to that degree?

Mr. Dahilig: What you have brought up is something that I think is a relevant question. I do not have an answer yes or no on that, but I think it does beg the question of is our business side of the house operating efficiently as our Planning side of the house? I think whether that is specifically addressed by the filling of this position or whether we have to look at adjustments to our structure, I think is what I need clarity on first before I can provide an answer.

Chair Furfaro: Everybody talks to us about continuity and so forth and continuity comes from first having a long range plan about the structure of the organization. It might be three years down the line, might be four or five, but you see the enforcement and long-range planning separate from the permitting and action of the Commission itself and being led by two Deputies. If that is where you see yourself, the recruitment has to be based on you recruiting somebody who can evolve to being one of those candidates and we have not crossed that bridge yet.

Mr. Dahilig: I whole-heartedly agree with respect of taking that approach of when we look at personnel resources we just cannot look at the here and now. That succession planning is critical to also looking at our structure.

Chair Furfaro: Okay. If nobody has anymore, I have a few questions as I go through my checklist here. IAL process, you know we are going to put some communication on the Council Agenda very, very soon. Your enforcement fines and so forth, \$105,000 that you have, you are handling it the same way we are handling the Building Department Revolving Fund?

Mr. Dahilig: Yes.

Chair Furfaro: You are using those moneys? Has there been any talk of not capping that fund, that there might be...I am sure there are more fines out there to collect. Why would we cap it at \$100,000?

Mr. Dahilig: That is the first idea in my mind focusing on how we can most prudently spend the money and going over the cap, how do we have it funnel back to the General Plan? We have not talked about whether that \$100,000 is an appropriate cap or not? I do not know if I have an opinion on it, but I would say that what you are seeing is a result of our success. So whether that is appropriately capped at \$100,000 or valued at a higher amount, I could not give you an opinion on the floor, Chair.

Chair Furfaro: Please take a look at the Building Department's Revolving Fund because you think they are up to \$200,000 now.

Mr. Dahilig: Okay.

Chair Furfaro: I would like to see that money being focused on your needs in Planning, when challenges do come up. Even if it is for contract services. But please take a look at that. Where are you on the list of priorities for office planning? Have they moved you to number one?

Mr. Dahilig: I believe we are either 1 or 2. So we are up there.

Chair Furfaro: Okay. Do you need my vote? I will say I think you should be number one how is that?

Mr. Dahilig: Thanks.

Chair Furfaro: I think Planning is the single most important thing we can do in this County for quality growth. It should be at the top of the list when it comes to looking for space. Okay? Even own my question about finding...recovering rent for the Auditor, you should be at the top of the list. You heard my comments about the contract disputes? If something goes astray, you let us know right away?

Mr. Dahilig: I will, sir.

Chair Furfaro: Bumping the fees on the TVR fine, that is coming up here for public hearing and we send it back to the Planning Commission and so that is moving along. I want to tell you how much I appreciate seeing your summary about enforcement. Do you have anything else that you want to share with us?

Mr. Dahilig: No, sir.

Chair Furfaro: JoAnn? We are going to adjourn your group's budget hearing. There will be no call-back for you. But do know that Important Ag Land will come up for discussion, as well as getting a little bit more of the parameters on the upcoming General Plan, okay?

Mr. Dahilig: Thank you, Chair.

Chair Furfaro: Thank you, Mike, thank you very much. Thank you everyone from Planning. We have Housing at 11:00 a.m. None of us have been able to take a break. So let us take a break and start at 11:00 a.m. again. Caption break, too.

There being no objections, the Committee recessed at 10:41 a.m.

There being no objections, the Committee was called back to order at 11:06 a.m., and proceeded as follows:

Housing Agency

Honorable Tim Bynum (*not present*)
Honorable Mason K. Chock, Sr.
Honorable Gary L. Hooser
Honorable JoAnn A. Yukimura
Honorable Jay Furfaro, Council Chair

Excused: Honorable Ross Kagawa
Honorable Mel Rapozo

Chair Furfaro: We are coming back from a recess for a caption break and going right into the Housing Agency. I will deliver to you folks by the end of the afternoon, we will not meet on budget items again until April 21st, which we start call-backs then. The call-backs some of them are just a specific item for a specific amount of time. Welcome Housing.

KAMUELA COBB-ADAMS, Housing Director: Good morning.

Chair Furfaro: Good morning. Rules are suspended you can start any time.

Mr. Cobb-Adams: So we are briefly going to go over our mission: provide opportunities for safe, decent, and quality housing to promote and sustain community development for the people of Kaua'i. Pretty self-explanatory. Under that, we have strategic goals. Five of them. We want to preserve our tenant-based rental subsidies, maintain and expand affordable housing inventory, we want to increase the financial capacity to support our goals. Provide more efficient and consistent quality delivery of services to the public. Last, promote and sustain community development activities. So in a nutshell those are our broad strategic goals that fall under our mission. Our organizational functions, basically are made up of three Divisions, Rental Assistance Division, who is also known as section 8 or as a lot of people called HUD, the County administers that program. We also have the Housing and Community Development Division and last, the Administrative Division made up of leadership and accounting support. Since they never get to come over here we will give a picture, this is our Rental Assistance Division, Section 8 / HUD. Usually Sandy would be here and she is the first woman on left in the back, but she had to go to Honolulu for jury duty. So she lucked out... or did not luck out, however you want to do it.

Chair Furfaro: What a comparison, boy.

Mr. Hooser: I understand that they have not had the opportunity to come here, but we could have a special meeting. And have special questions for everybody.

Mr. Cobb-Adams: Yes, I think they prefer not to go in front of everyone...they like the picture. So anyway, they basically service our low and very low-income households and basically pay a portion of the rent based on income and provide a lot of assistance to our families to get affordable rentals through subsidized rentals and also

coordinate our self-sufficiency program; which is an excellent program. Basically counsels people on the Section 8 program to hopefully become more independent of this government assistance. I will let Gary, the Head of our Housing and Community Development Division talk about it.

GARY MACKLER, Housing Development Coordinator: Thank you, Gary Mackler for the record. The Housing and Community Development Division administers a number of housing programs and Federal grants. The oldest program that we have administered is the Community Development Block Grant program. We also have the Home Investment Partnerships program both are Federal sources of funding. We are still administering the Neighborhood Stabilization program through the creation of program income from that original grant source. One of our oldest programs and one of our most successful programs is our Home-Buyer Loan program which was initiated in 1996 and our staff ably administers that program for the County. Also we are involved in fair housing workshops and training on our staff. Fay Rapozo is our Fair Housing Officer and puts together excellent trainings for landlords and tenants each year. We also have responsibilities for the asset management of the County-owned rental projects that consist of the Kalepa and Paanau Village rental projects.

Mr. Cobb-Adams: So last is our Administrative staff...the last Division is our Administrative staff that basically is myself and a couple of assistants, as well as our accounting staff. We basically set goals, develop strategies and solutions and pursue opportunities to address Kaua'i's housing needs and provide an overall supervision of the Housing staff, and we administer County workforce housing policy. Success and achievements. This is the best part. Our Rental Housing Division as I will clarify a little more, they have been under stress because of decreased funding, but still continue to do an excellent job at serving about 660 families and administering \$600 million of housing vouchers. This is Federal funding money that is coming to Kaua'i through the Agency and if it was not for the staff doing their job right and keeping and making sure that the lease-ups happen we actually lose money and they have done an excellent job keeping the lease-up ratio at its maximum to ensure we have maximum funding the next year. They have done a good job of keeping our money as high as it possibly can be. We have had no findings in our single audit for the third consecutive year from Section 8. We have issued eight vouchers, 33 new participants to replace...sorry, 33 new participants have replaced out-going participants on this Section 8 program, working very closely with our VASH Coordinators, we do not administer VASH or Veteran's Funding but we do work closely with our VASH Coordinators that are in Kaua'i to help assist any of our veterans with housing assistance. Lastly, we are looking at implementing a new online application process and it is targeted to start July 2014 that is to administer our wait-list. So we are looking at some technologies as I mentioned before in our strategic goals, one of them is to increase the financial capacity, as well as provide efficient and consistent service. By going online we are thinking that will help us become more efficient and hopefully lower our costs.

Family self-sufficiency as I said it is an awesome program. There are basically two staff, Kathy Kato and Bricen Moritsugu and they do a great job at administering the program and they are 100% funded by the annual grant and they actually write the grant every year that funds their position, as well as the program. In 2013, 106 households of which 70 families increased their income by an average of \$4,000 a year. Seven families transitioned into non-subsidized housing and they were basically taken off Section 8 and 12 families graduated from the program. The program currently serves 81 families and that is pretty amazing because half of the year Kathy did it on her own and Bricen was a new-hire

based on somebody who left and we are very happy to have them. The participants can earn money in their escrow accounts by increasing their income, so there are "carrots" or incentives for the families to get off Section 8 because there is some sharing in the assets as they improve their incomes. Upon graduation...they have to graduate to get that sharing and have to basically go through the program, which is about two years. Section 8 homeownership, this is not being funded as much by HUD. It was an initiative in the past, but we still are serving 11 clients on this program. So it is kind of being phased out and that is why we are only serving 11 clients and probably will be phased out after we finish with these 11 clients. It is a big leap, but transitioning people from Section 8 to homeownership. So you go from subsidized renter to homeowner basically and that is a tremendous leap.

Mr. Mackler: We have had a very busy and productive year with our HOME and CDBG grants and I will run through a few project slides to brief you. The first is the 'Ele'ele Iluna Phase II, Kaua'i Habitat's subdivision. This project broke ground in January 2014 to build 48 lots to utilize for the Habitat's self-help home building program. The project is financed with \$1.92 million in HOME funds, most of that is for the on-site infrastructure work, but part of that is also going to be utilized to pay for a construction supervisor to help the participants at least the first two teams of participants build housing units there. The project is approximately 25% complete and is expected to be fully completed by September of this year. Kaua'i Habitat has been very active in starting their outreach for this project. They have held six informational meetings throughout the island and basically gave out over 400 applications to those who attended those meetings. As of March, they had received 257 applications and really that is taking people off of their interest list to the serious list that they really want to achieve homeownership for themselves. So they are working very aggressively to move to the point of making family selections later this year.

Another HOME-assisted project is the Rice Camp Senior Housing project. We are really pleased that this project broke ground in March of this year, and Phase I of Rice Camp will provide 60 one-bedroom and two-bedroom units for our seniors. In addition, to the land, which was purchased by the County through Council's appropriation of funding, we are providing \$1.25 million in HOME funds, and the developer Vitus Development was able to successfully apply for low-income housing tax credits through the State Housing...Hawai'i Housing and Finance Development Corporation. They were awarded \$14 million proximately in tax credits to sell to raise equity to finance development. This project will be substantially completed in the Spring of 2015. Another project that is getting close to groundbreaking is the Kolopua project in Princeville. Kolopua will provide 44 new affordable housing units for Kaua'i's workforce. The County of Kaua'i is making available \$1 million in its HOME funds from 2013 to help finance this project. This project also applied for tax credits through the State and was awarded \$14.6 million in tax credits. We are looking at groundbreaking...we do not have a date certain, but looking at May of this year for a groundbreaking. Another project we are assisting with our 2013 allocation of HOME funds is the Lihu'e Core Town Homes project. This is a rehabilitation of nine residential buildings, mainly for exterior rehabilitation, replacing siding, trim, doors, windows, exterior re-paint. In this particular...in this photo you can see buildings that mutual housing has already rehabilitated. So that is really the finished product that we are looking at in the photo and they are bidding the work at this time and we expect that they will have a contractor in place to start work in June of 2014. I want to mention that with these HOME-assisted projects the actual construction dollars that are generated by the four projects I have just described will consist of \$18.7 million. So these projects are

going to make a substantial impact into the local economy and help to employ those who work in the construction trades.

Lima Ola, another project land acquired by the County of Kaua'i. We are in pre-development mode. We are going through preliminary engineering, environmental assessment, water master plan, and other engineering studies and entitlements. The work that we are doing with our engineering consultant is 60% complete. In addition to projects we are also utilizing policy to help us pave the way for developers who develop affordable housing. In Ordinance No. 860, basically it provides us with the enabling legislation to implement policy. Those policies consist of the Affordable Housing Task Force, which was reactivated by Kamuela, late last year and this is a group of County-review Agency representatives who meet early on with developers to assist them in the initial stages of their project development. We are also at the tail-end of completing our draft of a...what we call a County 201H Exemption Policy. 201H is a Hawai'i Revised Statute that allows for expediting of affordable housing projects as long as they do not comprise health and safety and preserve environmental integrity. We are also able to implement a fast-track permitting policy for workforce housing to move projects through the permitting process much more swiftly.

As I mentioned earlier we have the Community Development Block Grant (CDBG), one of our oldest grant programs, which continues to serve our community well. Last year over 178 individuals received direct services from CDBG recipients. These are typically non-profit organizations that provide services throughout the community. For every dollar of CDBG funds utilized we were able to leverage \$3 of non-CDBG funding to carry out activities. In 2014, the last action planning, the CDBG grant served ten organizations, and with the upcoming action plan for 2015, which I know there is a Resolution before the Council, which will be back to you later this month. We are expecting to serve nine organizations through this grant program. In the photo, you see there is a home that was purchased with CDBG assistance for a Kaua'i family. Last year we used part of the CDBG funding to help reroof the building purchased by the YWCA. The old KCFCU annex. One of the projects that received CDBG grant funds for accessibility modifications is the old Waimea Dispensary, a historic building in Waimea. This was a very gratifying project for all of us to see reach completion. Not only did it restore the Dispensary to its original splendor, but it was through a collaboration of the Kaua'i Economic Development Board, in particular Mattie Yoshioka, who worked tirelessly on this project, Easter Seals of Hawai'i, and the County. This project has been realized and it is also serving our Kaua'i Police Department as they are renting space as well in this facility. I mentioned earlier our home-buyer loan program and our home-buyer staff was very active in 2013. They successfully processed six home-buyer loans for first time home buyers. They acquired one property for leasehold sale. That is this property that you see in the photos. It required rehabilitation work and as you can see, there is a before-and-after photo to compare. The rehabilitation is just about complete and this project will be sold leasehold as our staff will work through our home-buyer list to find an eligible home-buyer.

Mr. Cobb-Adams: The fun part, challenges. Before I start into the challenges I wanted to talk about a couple other successes. Under "strategic goals" a lot of it focuses on being more efficient and leveraging our Federal resource moneys and I think we have done an excellent job as you can see on the development side. Our Development Division has done a tremendous job getting community resources out to the community and housing out to the community and maintaining existing housing. We have also become more efficient and provided much higher quality levels of service. We have implemented surveys from our Section 8. Every single person that visits our Section 8 office has the

opportunity to do a survey and we have gotten all excellent reviews and that has been a huge, huge...it talks hugely on how good our staff is at servicing the public. We have had our staff also evaluate us as administrators, all of our managers, as well as myself in admin, they have evaluated us and we have tried to increase our communication in multiple methods from weekly updates to monthly meetings, all-staff meetings and just improved our communications. I think those are some of the unseen things that have made our staff more efficient, a little...hopefully a little bit happier. I am sure not all of them are extremely happy, but as a whole, those are some unseen things that are hitting these goals that are shown on the screen. The biggest challenge has been budget reductions. Basically from our Federal budget as you can see in the first line item, Section 8 basically decreased by about 8% from \$7 million to \$6 million and that has nothing to do with our staff, they met all their goals to do lease-ups but basically sequestration, they cut moneys. We met with myself and the other housing directors throughout the State and other Counties, met with the Community Developments Programs Assistant Secretary Mark Johnson two weeks ago, April 7th and he basically said that is kind of the trend. The good news is that they think that they are stabilizing next year. But it is still a bummer, because it is not going up. At least it is targeted to hopefully stay the same and we will see what Congress does. Hopefully they got tired with fighting with each other and have come up with a budget. It is basically the message. So we are hoping to obtain about the \$6 million range of money for Section 8. As a whole, overall, our HUD programs have gone down in every single category, including Section 8. But despite this, our Agency has done a great job, 13% of our Administrative budget has decreased since Fiscal Year 2012 and we have made do with that. Unfortunately, it has caused some sort of deficit because our labor costs have gone up, kind of significantly this year, next year and the following year. So we are making some hard decisions and reallocating tasks, basically, so people are doing more right now. We have a great staff that is basically, it is tough, but they are just doing it. We are going to make do with what we have basically. So we are going to be dollar-funding some positions and not rehiring for those and we will have to work with other Agencies to partner and just make due. The way we have done it in the past, as the Federal funds have gone down, generally they pay admin costs. Basically all of our Federal funding does not cover our admin costs anymore. Section 8 does not cover all of our staff. HOME funds does not cover our staff. None of the funds basically cover our staff now and we have used our Housing and Community Development Revolving Fund to make up this administration deficiencies, but unfortunately, this year is the last year that we can do that because the HCDR Fund will be almost dry. I will go through that with a little bit more detail.

Some upcoming initiatives, it has been our goal to pursue opportunities to increase housing vouchers. We have met with OHA, seeing if OHA could provide money. They could not, but they did a housing study, but it did not realize any money from it. For CDBG we will implement the 2014 CDBG action plan. We are looking at adopting a 201H and we talked about that earlier. It hopefully encourages outside entities to do affordable housing on Kaua'i and process fast-track permitting. We talked about those but we are going to implement them. Fast track permitting is actually supposed to take effect today. Some other upcoming initiatives, finish up Rice Camp and start Rice Camp Phase II. The biggest nut to crack is available water. We are trying to work on getting more water sourced so that we can move to Phase II. Through Ordinance we are looking at acquiring land and offsite infrastructure to develop more workforce housing in Kōloa and Po'ipū. Of course Lima Ola and finalizing those, preliminary engineering and we are looking at obtaining funding from developers and partners and commence on engineering.

So basically this is our basic graph of our operation or our budget. 67% is Federally-funded. It used to be higher. We are funding 29% of it with our Development Fund, which

is a Revolving Fund. Like I said it is going to dry up this year and about 4% of our operating budget is funded by the County. So the way I look at it, the Housing Agency is a tremendous asset to the County. We leverage our County resources of just under \$700,000 to obtain a tremendous amount of Federal funding, over \$15 million worth of funding and then what we do, we take the \$15 million and leverage outside funding and partner with developers to create even more projects. Gary alluded to that what he said the amount of construction we impact based on tax credits. So I think we have done an excellent job of leveraging. I think the County Housing Agency, whoever started it in the past is very smart because we are leveraging outside money with very little investment. Like I said, we appreciate your support. Here are some comparisons from 2014 to 2015. General Fund we are funding less from last year \$690,000 from \$733,000 with a decrease our funding by 6.19%. Our Revolving Fund has decreased by 43%. The Federal funds have decreased 39%. So if you look at it, we have basically decreased a lot of our funding, but have done a much better job at leveraging. The County Housing Agency has always done a tremendous job, but it is just about focusing on and being innovative and I think we have done a great job and our staff is awesome. Some more comparative graphs. 3% decrease overall administrative costs. So we are decreasing our administrative costs and some of that is because we are dollar funding positions and some is because of efficiencies. Our big one, our programs have gone down substantially, 31% and there is not a lot that the County can do about that with less Federal moneys coming in. With that, this year, I think we have balanced our budget. We are going to be fine, but the outlook is that we are preparing for the worst, which is a shortfall of funding next year. We do not know until the Federal government comes in and we will talk about that later, but we have done, as much as we can to become more and more efficient and leveraging our moneys in more innovative ways. All because our staff have worked harder and harder and I appreciate that and I hope you folks do and the public does too, because we have done a great job not just creating affordable housing and resources, but to impact other areas such as the construction industry. I am super proud of Gary and his staff and all of our staff. That is why I wanted to share the pictures. We come all the time and they do not prefer to come in front of crowds, but I would like to thank them and hopefully if you see those faces you tell them *mahalo*, it goes along way because they are working hard. Thank you.

Chair Furfaro: So they do not like crowds? But you compared us to hearing officers like the courts, the jury?

Mr. Cobb-Adams: Jury duty is a lot easier than coming up here. I would agree with them on that.

Chair Furfaro: The project at Princeville, Kolopua, it sounded like you were not sure that we were going to break ground in May.

Mr. Cobb-Adams: We plan to, but this project, it is construction, you have permits and other things that we are driving through and financiers that we have no control over. It appears and I bet it will happen in May, but we like anything with development, you cannot be certain. There are a lot of things that we do not have control over, but I would say yes, I think it is going to go in May, but cannot give you a for certain. Because it is basically the developer and all the equity investors, as well as permitting that has to occur and it looks like it is on-track.

Chair Furfaro: On a side note, do you know where the name comes from?

Mr. Cobb-Adams: No.

Chair Furfaro: That is the name of the back of the mountain in Lumahai Valley and it was...when I used to go to St. Williams with Grandpa Henry and Auntie Kapeka Chandler they used to talk about place names, but it is a suitable name as it references a very light fragrance or sometimes it also references the early breathe of life for families getting started and so forth. So it is a very, very special name that I used to listen to Auntie Kapeka Chandler and Grandpa Henry talk about place-names on the North Shore and real chicken-skin. So I am hoping the best for Kolopua. I am sure you will alert us if there is any change. But the successes that you mentioned are just all outstanding ones. When you indicated that at the end of the year, you will be running out of money from our Revolving Fund, could you expand on that a little bit?

Mr. Cobb-Adams: So our HCDR Fund, Gary can give you details and answers, but that Fund from my understanding we got a lump sum of money after Hurricane Iniki and we have used that funding to develop, as well as loans have been provided through that Fund. We have been using it for development and / or staff for over 20 years. Basically the revenue is starting...we have been using it and there is no more revenue. The revenue stream has become so small.

Chair Furfaro: The revenue stream is small. I would agree on that. The history of that, I think, there is about \$350,000 a year going into that account. Do we know what the balance is right now? \$1,525,000. You have got about \$364,000 of rents and other concession. I am not sure where that revenue stream is.

Mr. Mackler: Are you looking at the Housing Development Fund?

Chair Furfaro: Yes.

Mr. Mackler: There are two different funds. The Housing and Community Development Revolving Fund is the fund that Kamuela was referring to.

Chair Furfaro: I see it up on top. Okay. Because between the two of them there is only about \$2.5 million in there. Okay. Questions? Mr. Hooser.

Mr. Hooser: Nice presentation and please express my *aloha* and *mahalo* to everybody for all the work. You mention the 201H drafting. So that is the County version of the 201H HRS?

Mr. Cobb-Adams: It is basically the procedures and I know you are probably very familiar with it coming from the State. It leaves a lot of questions to be answered. It is very broad. So with what we are doing putting together a process or procedure so when a developer comes here they know the processes. It is the same process to develop here on Kaua'i, except to make it linear where you have to go through the General Plan Update, etc. It is layered so you can go through entitlements, environmental studies, design approvals all at the same process. So we tried to layer it. I want to give a special *mahalo* to Barbara Pendragon who was our long range planner in Housing who retired and she did a great job. Her background in planning was a huge asset in developing these procedures. She did a great job. We are just refining it. It is still a pretty cumbersome process, but we are hoping by layering the process, it can be more effective.

Mr. Hooser: So this is procedures and policies as opposed to rule-making ordinance?

Mr. Cobb-Adams: Yes, correct.

Mr. Hooser: So you are not making law?

Mr. Cobb-Adams: No.

Mr. Hooser: Or proposing ordinance or doing rule-making. You are just trying to describe how people can best implement the State law?

Mr. Mackler: We are just...the law already exists and the County derives its exemption powers under 46.15 of the HRS, which essentially gives us the same powers as the State has to utilize an expedited development process.

Mr. Hooser: One more question. It is kind of a broad question. One of the initiatives coming up is acquiring land and infrastructure. So theoretically the County could acquire land and increase entitlements and density and do infrastructure so theoretically, the County could acquire agricultural land, increase density to whatever the political will would allow and do all of this with bond money. Is that correct theoretically to borrow the money to buy the land, fast-track it through the entitlement process and do a development like that.

Mr. Mackler: We could certainly acquire lands with bond funds as we did the Rice Camp parcels. They had most of the entitlements already for that parcel. But yes, we can look to doing that, if there are sites available to us. That is not usually the case.

Mr. Hooser: We have the power of condemnation?

Mr. Cobb-Adams: Yes.

Mr. Hooser: I would think that the most cost-effective way to do it certainly is to find unentitled land adjacent to existing urban areas and try to negotiate for purchase or condemn it for public use, purchase it and do the entitlements and put in the infrastructure and then have the income from the project pay the bond. Is that a model you are aware other people might be using or that you have contemplated?

Mr. Cobb-Adams: The reason I pause is because the hard part is affordable housing usually generates no income and, in fact it requires subsidy to even make it work. For instance we purchased Rice Camp that was already entitled. We recovered nothing from that purchase price, because that dollar a year lease, because that was factored into it. So to recover the bond money would be very difficult unless there was a mix that allowed for affordable and non-affordable housing, which is possible, if you did like a 51% affordable housing project and the other 49% was, then there is a possibility 49% could repay some of that bond funding.

Mr. Hooser: The key would be land that is not entitled so you get it at a much better price and you deal with the density.

Mr. Cobb-Adams: Yes.

Mr. Hooser: We can have that conversation later again, but I just wanted to ask you about the possibility. Thank you. Thank you, Chair.

Chair Furfaro: Other questions? JoAnn, go ahead.

Ms. Yukimura: Thank you. It is a very excellent report
Kamuela. Thank you.

Mr. Cobb-Adams: Thank you.

Ms. Yukimura: Thank you, to you and all of your team, because I know the hard work that you do. It is pretty incredible.

Mr. Cobb-Adams: I did not put it together, our staff did. I just got to analyze it so it is work from many hands.

Ms. Yukimura: That shows your leadership and it is clear to me that you are really are building a team. I have watched you since you have come in, how you have gained a lot of trust from your people and you have come in with a lot of respect for them. So it is your leadership. I want to say your photos are really great. Who took the photos?

Mr. Cobb-Adams: Kerri Barros, our CDBG Coordinator, she is awesome. We have an awesome staff.

Ms. Yukimura: This is really nice. This is by far the best Housing Agency report I have seen in years. So thank you. Just to say no findings on some of our accomplishments, no findings on the single audit and 33 new participants in Section 8. A few of them are the ones that have gone off through your Family Self-Sufficiency program apparently.

Mr. Cobb-Adams: Yes.

Ms. Yukimura: Online application process, that is really great. So my question, why is Section 8 homeownership being phased out?

Mr. Cobb-Adams: Federal funds. You go wherever HUD takes you.
If they are going away from it...

Ms. Yukimura: Okay. But this is the program where renters turn into owners.

Mr. Cobb-Adams: Yes.

Ms. Yukimura: Okay. Of course we have seen that in our self-help housing projects, too. That is where renters turn into owners and it is really a great thing. On your Līhu'e Court Townhome rehab, it is a fabulous thing that you are helping to maintain housing stock.

Mr. Mackler: As important as it is to try to bring new inventory to the island, it is as important to preserve the stock that is produced. You know,

we try to emphasize that affordable housing projects be built with quality materials and practice. Unfortunately the Līhu'e Court is an example of a project that was not built with the proper care, using untreated lumber and did not do things that we would normally do. But Mutual Housing Association, who is the non-profit owner of Līhu'e Court Townhomes over the years has done a tremendous job bringing that project up to a point where it is preserved. They have actually rehabbed most of the buildings. There are 23 buildings in Līhu'e Court and the nine that we are going to see rehabbed with HOME dollars will, I think that will bring them to 21 out of 23 buildings rehabbed and it will help the long-term preservation.

Ms. Yukimura: I do not know how many units there are there.

Mr. Mackler: There are 173 units.

Ms. Yukimura: For one thing, it is an exemplary affordable housing rental project. When we did our Housing Advisory Group tour we were so impressed with what was happening there, and if it was not there, we would have a much bigger homeless and crowding problem. People need to understand how lucky we are to have that project and other projects right now. So on Lima Ola, you have no money mentioned here. So the money has already been entitled for the work or encumbered for the work that is going to be done this year?

Mr. Cobb-Adams: Yes, most of the work that is ongoing was encumbered last year.

Ms. Yukimura: How much is that?

Mr. Cobb-Adams: Last year it was \$500,000 and this year it is about \$1 million.

Ms. Yukimura: So \$1.5 million.

Mr. Cobb-Adams: We sent over a break down to Council.

Ms. Yukimura: Thank you. The last thing, I just want to say you missed one thing on your Housing and Community Development Division, which is the development of affordable housing.

Mr. Mackler: Sometimes you miss the most obvious things.

Ms. Yukimura: It is such a major part of your work. So I just thought oh, my gosh, and Gary, you are not taking enough credit.

Mr. Mackler: Thank you.

Ms. Yukimura: Other than that, thank you very much.

Chair Furfaro: Mr. Chock.

Mr. Chock: Thank you. Kamuela and Gary, I wanted to thank you so much for the wonderful work you folks have done. It is evident by not only the results that you have created with the projects that you have shared with us, but through

your ability to stretch the financial resources and the resources of human capital. So my congratulations also to your staff and the work that they have done and the team that you have put together. I do not want to get into the discussion of the General Plan, but I think the question about growth is really evident. I was wondering if there is a specific mechanism that we use in order to sort of do the projection of what the need will be as we grow, or as this island grows? Which would translate into how much...how many projects per year or how many units we need to develop every year as we move forward? I think would give us a good indication of the kind of funds that we are going to need to support it. That is one question, if you can respond to it and if not, no worries. It would be a future discussion. It seems to me based on your presentation, it does not look that good. The trend is moving in a direction where we are going to need to really look at additional funding sources, which I did not really see on your plan yet. So how it is that we are creative moving forward is going to be key. But if you have some mechanism, I would love to hear more how we track that and what kind of studies that we do to address the growing population needs for affordable housing?

Mr. Cobb-Adams: So we participate in a Statewide housing study. All the Counties, as well as the State all come together. In the past, 2011 they did the research and based on that study in 2011, we need about 925 units by 2016. This could be developed for families below 80% the median income. So that is why we are trying to leverage the heck out of our money and bring in outside funding and make it easier for someone who wants to do what they want them to do, like affordable housing, to develop. Because there are two things. We can leverage the limited moneys that we have or create procedures that save time, which in turn save money to help the affordable housing developers develop it. So those are the strategies that we are looking at. When it comes to raising funds, I think we are developing...we are going out and trying to partner. Had some meetings with State Agencies on trying to attract them, like Lima Ola, it is the type of project that the State is interested in. By partnering with them, hopefully we can bring State money and energy to the project. We are looking at...we talked to the USDA on rural development and financing options. Basically those are the ways, Federal funding and other government funding. If we can do a project that can attract non-profits that is where we are looking. I made a personal representation to Hauoli Mauloa who is a non-profit who has done affordable housing projects on the west side that we will have a project...they went to another island and County to develop and partner with a developer and I made a commitment when they are done with that in three years we will have a project for them. So working hard to acquire projects and I did not mention we have excellent staff, but the County Council has provided a tremendous amount of support. Kolopua, why it was such a success is that the Council here had the foresight to amend an old ordinance that needed some tweaking. We did it a little over a year ago and that realized the opportunity to provide the 44 units that will hopefully start construction next year. By just by making tweaks to ordinances we are looking to do that in other cases too. By having these developers provide us the land and infrastructure, that is huge. This is a huge burden off the County and now the County can use that resource to go leverage that resource to partner with outside entities to provide affordable housing. So those are some ways of doing it, as well as putting up money to buy things like, Rice Camp, where we just buy the land and use that leveraging power. The County invested...the Rice Camp model, we bought the land for about \$2.3 million. We put another \$1.2 of HOME money and we are realizing 60 units. That is a pretty good deal. In Kolopua, we did not have to put the money because there is an ordinance that required that land. So we tweaked the ordinance and it did not cost us anything and we used \$1 million of HOME funds to leverage that to hopefully realize 44 units of affordable housing in Princeville. So there are creative ways to do it and it is basically going to take us working together, the State and all government

agencies working more hand in hand and aligning what we do agree on and moving towards those. I think that is the major focus that we need to look at. Because we do not agree on everything, but we do agree on a lot. If we focus on the things that we do agree upon, we can make a lot of progress and for cheaper. So I think that is kind of our strategic plan in a nutshell, you have got to work together.

Mr. Chock: Absolutely. I like that. I like your approach. Thanks. Just one last question and I have asked this question of almost every presentation, because when I look at budgets, traditionally I always look at areas that there are gaps. So this "other services" in each of your projects shows up as an increase. I was wondering if you could provide a little more clarity in terms of what it is that is being attributed for? I can give you a page.

Mr. Mackler: Rental projects?

Mr. Chock: Is it 18 or 19? Yes between 18 and 19. Paanau Housing is one example of that increase.

Mr. Mackler: Part of that increase for "other services," that is actually...let me go to that page. Those are management costs that we pay to have our management operate the Paanau and Kalepa projects and those increases are actually by contract. We have a multi-year contract with that service provider. There is annual escalation built into each year of the contract. With regard to that contract, we are going to be issuing out an RFP this year, because we will be reaching the end of the contract term at the end of this calendar year, so we will be procuring for management services for Kalepa and Paanau Village projects. We saw more recently with RFPs that came in for Rice Camp, there are a lot more management companies that are providing these types of management throughout the State and I am expecting and hoping a more competitive environment for this next RFP offering. That is really our largest expense to operate these projects. So we will see how it plays out later this year.

Mr. Chock: Thank you.

Chair Furfaro: I am going to just follow-up with a question. So gentlemen, how are you feeling about the association reserves for Paanau and for Kalepa?

Mr. Mackler: We feel pretty good. When we built these projects, we established reserve study budgets for both projects to inventory all of the major building components that make up the projects to look at their useful life and establish a reserve budget accordingly. So that we would know how much to fund annually and how much to accumulate when it becomes time to do the work, replace a roof or resurface a road or just typical reserve budgeting.

Chair Furfaro: So you feel comfortable about our association reserves there?

Mr. Mackler: We do.

Chair Furfaro: As far as the projections and the plan?

Mr. Mackler: We do.

Chair Furfaro: Redoing the roofs. Replacing the appliances?
Exterior painting? You feel good?

Mr. Mackler: I think we are in a really strong position with both projects. As you can see from our budget pages we go through our annual budget every year to look at what is nearing the end of its useful life? We do site inspections to look at the project. We are looking at resealing the parking lots for Kalepa and we are remaining reactive.

Chair Furfaro: Slurry or resurface?

Mr. Mackler: Seal-coat it.

Chair Furfaro: JoAnn.

Ms. Yukimura: This is my last question because Kamuela and I have to go to the airport soon. Slide 25, showing the fiscal year operating budget. It basically shows that 90% of the operating budget...96% of the operating budget is either Federal funds, which have been declining or the Revolving Fund, which is also declining. So Kamuela has set forth a really good plan in terms of how we are going to build housing itself, but these people who are doing all the planning and negotiating and work are in jeopardy. You know? So that is why I suggested in our last legislative package that we do...instead of asking for one funding source we maybe ask for a portfolio of funding sources that have nexus to what we are trying to do. One of my suggestions is that we maybe look at capital gains or something that is tied to the real estate sales on this island. A percentage of that. If we could have the power to access that, which will take State legislation, but we could use that for operating moneys. It is not that big of a budget, right? What is your total budget, operating budget? Total funding?

Mr. Cobb-Adams: You mean the operations?

Ms. Yukimura: Yes. Maybe I am looking at the wrong pie chart.

Chair Furfaro: I was going to say I was looking at the wrong balance sheet if it is \$16 million.

Mr. Cobb-Adams: Sorry, that is the total.

Chair Furfaro: Just operating costs.

Mr. Cobb-Adams: Total administration is actually \$2.67 million.

Ms. Yukimura: That is all General Fund?

Mr. Cobb-Adams: No, General Fund is \$675,000.

Ms. Yukimura: Of \$2.6 million.

Mr. Cobb-Adams: \$690,000 actually.

Ms. Yukimura: \$690,000 is General Fund. So we just need to...I mean.

Mr. Cobb-Adams: So \$2 million comes elsewhere and \$690,000 from the Council.

Ms. Yukimura: That is not a lot of money to recoup from real estate taxes surcharge or a capital gains tax. We have to look at that. I have not had the time to look at the parameters, but that would help us sustain our Housing Agency. So it is really something that I think we need to look at. It is not a question, but part of a discussion for the future for future funding for this critical Housing Agency.

Chair Furfaro: That is why it is a budget question because we are running out of money. Gentlemen, let me ask you the affordable income level for renters and a family of four is between \$1,240 to \$1,350. Family of four. That is taking into consideration about \$272 for utilities. We cannot find anything on this island. Have you folks chatted about an opportunity to look at maybe an opportunity to offer people who have homeowner inventory, the ownership of older homes, second homes and so forth, to be encouraged through some tax credit? We tried this once about seven years ago, to keeping their home rentals in an affordable rental, which would help give them a cap on their property tax. Was that part of your tour, your discussion-not that we are the developers, but that we are looking at corralling people who own second and third homes on the island to give them some incentive to put a cap on the rental?

Mr. Cobb-Adams: So actually, our real property does have an incentive. I could not speak to the details.

Chair Furfaro: I know what it is. I was part of the Council who passed it, but it is not being used and people have dropped out left and right and it seems every time we get a swing in appraisal values, these guys start taking...they change their minds. Have you had any further discussion on how we might...I mean it is great, we get 44 units here, 61 units here and there, but we are two years away. Have you folks had any discussion that might, maybe a way that we can look at re-incentivizing people who own a second home here, that might want to be in a rental program? That fits the family of four that makes \$63,300 to \$70,800 a year?

Mr. Cobb-Adams: Very preliminary, but it would take probably some laws, bottom line. Because basically the incentive is there, but right now the profit is more attractive than the incentive. So I think that is where people are going.

Chair Furfaro: If you have that discussion, would you consider inviting me, you and the tax department, would you consider inviting me?

Mr. Cobb-Adams: Sure.

Chair Furfaro: I look at Habitat, I was on the Habitat Board as President for eight years when we acquired that land with La France, by the way, we are trying to name a street after her, when you put the 44 homes in, if there is an opportunity, if we are contributing to the development of the roads for those lots, it would be nice to try and honor her. It is two, two and a half years away, especially with self-help, with infrastructure, we need some help now. Go to The Garden Island, you will not find a two-bedroom home in there that is reachable by any family of four. Without putting them in more hardships. Invite me, would you?

Mr. Cobb-Adams:

Sure.

Chair Furfaro: Questions? We have no call-back for you, but I do want to say and since JoAnn was so good about our Hanapēpē project we do have it on the calendar for July, so we have it tentatively penciled in for July. We are going to recess for lunch. Gentlemen, thank you. We will be back at 1:30 p.m.

There being no objections, the Committee recessed at 12:10 p.m.

There being no objections, the Committee was called back to order at 1:37 p.m., and proceeded as follows:

Department of Personnel Services

Honorable Tim Bynum
Honorable Mason K. Chock, Sr.
Honorable Gary L. Hooser
Honorable Jay Furfaro, Council Chair

Excused: Honorable Ross Kagawa
Honorable Mel Rapozo
Honorable JoAnn A. Yukimura

Chair Furfaro: Okay, good afternoon. We are back from our luncheon recess. We are going to finish up what was the original scheduled budget sessions ending today with the Personnel Department with two hours allocated. You are 83% of the cost in the County of Kaua'i, remember that. You are 83% of the cost. You get two hours. Okay then we will go to Council Services. Just a reminder to everybody, that will end our scheduled sessions and we do not come back into budget until April 21st. We have two hours set on the 21st for Solid Waste, an hour back for Life's Choices and the Finance Department to review the Humane Society for one hour. We have an hour for the Kaua'i Police Department on their subsidized vehicles and an hour and a half with the County Attorney. These are special call-back items. Tom, welcome. Ladies, welcome and I am going to suspend the rule and you have an opportunity to make your presentation.

THOMAS T. TAKATSUKI, Acting Director of Personnel Services: Good afternoon, Chair Furfaro, Vice Chair Chock, and Councilmembers, for the record Thomas Takatsuki, Acting Director of Personnel Services and I have HR Manager Crystal Fujikawa, Janine Rapozo, and our Private Secretary Pua Borales. I would also like to acknowledge our Civil Service Commission Chairperson Mr. John Low and our Vice Chair Mr. Roy Morita who is in the audience today.

Chair Furfaro: Welcome.

Mr. Takatsuki: As you have received our budget presentation I would like to present a brief PowerPoint highlighting some of the Department's activities. First and foremost I would like to highlight the Department's mission, which has been expanded to include the proposed transfer of payroll services to our Office and therefore, our revised mission statement is the Department of Personnel Services shall service all County Departments and Agencies with the full range of human resources functions based upon merit principle and devoid of any bias or prejudice, including recruit and specification and pay, labor relation, payroll and benefit coordination, employee development and training, employer relation and health and safety for successful achievement of Countywide goals. During last year's budget session there were three items of concern that were discussed during our presentation. The first area was in recruitment. If you recall, the shaded slide was taken from last year's presentation as to how this issue was to be addressed in the current year. The Department was committed first to assist Departments in various phases of recruitment to expedite the filling of vacancies. Two, to proactively monitor vacancies and contact Departments on intentions whether there will be no changes to vacant positions or whether a re-description of the position description was needed due to changes in Departmental needs or if the Department wanted to recruit at an entry-level

position. Finally, three, to provide support in reviewing and amending position descriptions, and in the interviewing and hiring process. We are pleased to report that all of our recruitment goals have been met and the Departments are receiving certified eligible lists...list of eligible applicants in a timely manner. In addition, our Department is also responsible for contracting applicants to present a conditional offer of employment, scheduling pre-employment requirements including physical, drug testing and background checks. Informing both the Department and applicant once all requirements are completed. Sending out a welcome letter and scheduling individuals for a new-hire on-board orientation program that is also done by our Department. It is now a full one-day program. The program used to be half a day and we extended it to a full day. We schedule interviews, conduct interviews, and publish letters, if requested. The second concern for supporting the Kaua'i Police Department with clerical assistance in their recruitment process. Last year the Department committed to meet with KPD to discuss the transfer of duties that were previously done by the personnel clerk. We are pleased to report after meeting with KPD, our Department is now assisting with clerical duties for processing applicant background investigation, assistance with non-selection letters and other clerical assistance as requested by the Kaua'i Police Department recruitment division. Finally the quarterly vacancy report was something that was brought up last year. Our Department has committed and met with the Council Chair to get a desired product. The short-term solution was working in-house to come up with a report that reduced manual production and finally the long-term solution was to have a report generated from our HRIS system. We are pleased to say that the vacancy report that is due to the County Council every quarter has been on time with the 3rd Quarter report already submitted. The report also now includes new-hires, transfers, reallocation, and promotions for the quarter. Aside from what was discussed, our Department has also been able to post 20 forms and other resource information onto the County's Sharepoint site. With the help of a short-term hire, all personnel employee files are being standardized. Ensure OSHA compliance by having mock inspection and ergonomic evaluations conducted by our insurance broker and respiratory protection and blood borne pathogen policies created, and OSHA training on ladder safety, fall protection, lifting and carrying and blood-borne pathogens. In addition, all employees were informed of the necessary steps for training on OSHA regulations for the new classification and labeling of chemicals. Training was held to develop employee skills on conducting performance reviews. Employment issues for supervisors, excelling as a manager / supervisor, reasonable suspicion drug testing and verbal judo. Employees received training on various employment issues such as workplace violence prevention, preventing workplace harassment, and employment issues for supervisors. The HRIS task force is led by one of our HR Manager and the IT Manager and four work groups have been formed to look at one, inventory of current customization on the system, reconciliation of leave accruals on the system, defining employee information needs and eliminating the needs for duplicate information and the review of the payroll codes. With the limited financial resources, the goal of the HRIS task force is now to pursue an integrated system leveraging our existing system with add-on modules and minor software customization versus the purchase of a new system. The proposed reorganization of housing the payroll functions in DPS will additionally provide for the centralization...centralized management structure for these heavily-dependent functions and for integrated solution. Another achievement this year was development of a customer service mission statement for the County. Through DPS' leadership, a committee of employees developed the following mission statement: The County of Kaua'i 'ohana is committed to excellence by providing efficient and respectful service, offering effective and innovative solutions, and exceeding our customers' expectations and always remembering that *Aloha* begins with me. All of the employees have been provided with this mission statement on a business card to have it with them and to remind them of the importance of serving the public. New employees

have the mission statement printed on the back of their County id. Also on the back of the business card including contact information for employees on various resources including retirement system, health insurance, and the County EAP program. Just in case you have not received your cards we have brought cards for all of you, along with a poster for your Department. Finally we are so proud of our three staff members who obtained Human Resources Management degrees in December of 2013. Namely we would like to congratulate Telissa Agbulos, Debbie Ponce, and Erin Takekuma on this huge accomplishment. We continue to experience a backlog of classification requests. Although the backlog has been reduced, the inability to hire another specialist in the classification and pay and labor relations Division has impacted the timeliness and response to this Division. Another challenge...

Chair Furfaro:
mic closer.

Tom can you speak up just a little bit or pull the

Mr. Takatsuki: Another challenge was the change in our Workers Compensation third party administrator. After ten year with Brandvold Ku, Inc., the company merged with First Insurance Company of Hawai'i, effective September 1, 2013. Although the County was very fortunate that our team of adjustors remained the same, there is still some uncertainty if changes may be forthcoming. The Department of Labor, Disability and Compensation Division continues to issue workers' comp decisions that heavily favor employees in compensability and other issues. Finally labor contract settlements with all four unions this past year made it necessary to process over 1,000 pay increase transactions thus far this fiscal year. Many settlements include two pay increases in each fiscal year, doubling the amount of transactions to be processed.

Our goals for the upcoming fiscal year include one, to support all County Departments, employees and the general public with the full range of human resources functions. Two, to attract, value, support, and retain staff, qualified, and diversified workforce. Three, to continue to improve, support the effectiveness of individual employees and to encourage career and professional development. To foster a productive and safe work environment and to enhance the quality and delivery of service through technology. Objectives to each goal are listed in our budget presentation. Our primary goal remains to transition the various human resources functions from County Departments to DPS. The upcoming year will be no different with the proposed transfer of payroll functions to DPS. We are already working with the payroll staff in a number of initiatives. Number one, the first as part of the HR task force group, the reconciliation of leave accruals has been ongoing. For the past several years they have not been reconciled with the HRIS system. Through one of the work groups that include members of DPS and Finance Payroll, ten of the 19 Departments with accrual balance have been reconciled and work is ongoing with the other nine Departments. Payroll staff is working on the pre-tax benefit program for all County employees with a tentative rollout date of June of this year. Aside from making these strides, we want to ensure that the movement of three employees aside from making these strides we want to ensure that movement of three employees to the Department of Personnel Services will be seamless for all County Departments. That adequate space is available for payroll staff at DPS and the staff are allowed to provide input and are provided as much information as possible to ease this change and limit uncertainty. With the anticipated transfer of payroll staff of Finance to DPS, our organizational structure will have another Division as highlighted on the chart. The Payroll Division will be headed by a Central Payroll Accountant and two staff, including an Accountant III and Fiscal Specialist. All three positions are not new positions and are simply being transferred from the Department of Finance to the Department of Personnel Services.

Other initiatives of note include the creation of a value statement. Now that we have a customer service mission statement, we want to forge ahead and create a value statement for the County, which will be our guiding principles and lets the public know what the County believes in and strives for. Along with the support of the Civil Service Commission, the Department is supporting at the end of the Charter Amendment to change the Department's name to "the Department of Human Resources" which will be in line with the expanded functions of the Department. Finally, we are working closely with HGEA and other jurisdictions and formulating an agreement for the new created Bargaining Unit 14. This includes our County Water Safety Officers. Our budget numbers for Fiscal Year 2015 reflect an overall increase of 33.7% from the current fiscal year. If we separated out the transfer of the payroll function basically the overall increase would be 16.4%. Salary increased by 50.5%. Again, if we separated out the payroll positions and the vacation credit payouts that were transferred from Finance, the percentage increase would be lowered to 27.5%, which are reflective of Collective Bargaining increases. The benefit increase of 21.4% is not reflective of the entire portion of the corresponding increase in salaries and wages due to the overall strategy of short funding OPEB benefits. If the payroll positions were not included, the corresponding benefit increase would be 2.9%. Operationally there was an increase of 16% over the previous budget. 6%, I am sorry. Although there are modest increases and decreases in the various funding categories the increase of costs was primarily due to arbitration costs, a cost item that will now be housed at DPS and an increase in training funds for OSHA-related topics specifically requested by Public Works, Roads Division, which will be centralized at DPS for opportunities for all Departments to participate in. The final thought, would it have been easier starting brand-new and creating a brand-new department to provide our employees and the general public with a full range of human resources functions, but the dedication and experience of our employees and the motivation of our members of our Department have created a great team that I am extremely proud of. Basically that completes our presentation. We are open to questions.

Chair Furfaro: Can we please turn on the lights? When I look at the overall budget for the Department of Human Resources, how do you measure the overall increases of 16.4% compared to the previous year, Tom? Do I go to certain Departments and see what kind of percentage decreases? The Department is going from \$1,729,000. It is going to \$2,312,000. A \$582,000 increase. 34%. These are my worksheets. Now when I make the appropriate adjustments, what does that tell me that we saved in the operating department that we transferred to and your increases at 16.4% represents how many dollars?

Mr. Takatsuki: The increase for payroll moving to DPS just wages is \$205,963. That does not include benefits, right?

Chair Furfaro: Say that again, Tom.

Mr. Takatsuki: \$205,963. That is strictly wages only. It does not include the benefits.

Chair Furfaro: Looks like about \$91,000 in other PT&E.

Mr. Takatsuki: Yes, there was an additional \$150,000...I am not too sure what it was added to wages...it was the vacation payout that used to be in Finance is now being moved to our Office.

Chair Furfaro: When you say "vacation payout" we moved accrued liability or paid out of the vacation?

Mr. Takatsuki: If an employee retires, the vacation balance is normally paid out.

Chair Furfaro: Here is how you tell the difference, an employee has a lot of earned vacation and retires, and retires staying on the payroll because he is then paid his vacation pay and is still an employee? Or the day he leaves the office, we actually give him a check? That is a payout. If he stays on the payroll, it is earned vacation and we are just reducing the liability.

Mr. Takatsuki: It is paid out then.

STEVEN A. HUNT, Director of Finance: Paid out.

Chair Furfaro: So he is off the payroll, and we paid out what he earned? How much was that number, Tom?

Mr. Takatsuki: \$150,000.

Chair Furfaro: \$150,000. Go right ahead.

Mr. Chock: Thank you, Tom. So I guess the way I am to understand, this is for people or a person who will retire in this coming fiscal period that you need to potentially pay out that vacation?

Mr. Takatsuki: Correct.

Mr. Chock: Thank you. How many do you expect? To retire?

Mr. Takatsuki: It varies. What is the average?

Chair Furfaro: So Steve, I want to reframe my question the employee stays on the payroll and is put on vacation drawing a check incrementally for each pay period that he qualifies for? Or he has banked that liabilities and gets paid out once he leaves?

Mr. Hunt: He has banked the liability and gets paid out once he leaves. For budgeting purposes the instructions to the Departments were if you are aware of a person who has indicated that they would retire and has vacation payout to budget that. But we have a lot that come up that are not planned that we need to budget and house centrally and that had been in Finance-Accounting. That has now been moved to Tom's Department, DPS to cover that, the unexpected payout. It is just again based on historical patterns how many people retired in accrued vacation. There are some limits on how much time they can accrue. The 720 hours in vacation, so there is some compartmentalization of the risk so we do not have a huge run on the bank, if you will with a bunch of retirees with thousands of hours of vacation. So sometimes they have to burn vacation before end of year so that they do not accrue more than is allowed.

Chair Furfaro: Where do we bank that liability?

Mr. Hunt: That is...it is part of the accounting of the accruals. We put a dollar amount to it only at the time that that person retires because it is a moving target. It is based on their pay rate at the time that they retire.

Chair Furfaro: Not at the rate that they earned it?

Mr. Hunt: Not currently, no.

Chair Furfaro: So a person moves up to the ranks, and goes from Park Worker IV...goes from Park Worker I to Park Worker II to Park Worker III and earned 120 vacation hours for each classification, but when he retires he is a Park Worker IV?

Mr. Hunt: Correct.

Chair Furfaro: And all of that is pay is based on Park Worker IV?

Mr. Hunt: Right. It would be like a LIFO, FIFO kind of situation in accounting. Some of the hours that are taken to keep them off of that cap would be coming off at the lower rate so you would be continually moving up at the payout and it is assumed that the 720 hours max is at the current pay scale.

Chair Furfaro: We have a negotiated understanding with our Civil Service and Bargaining Units agreements it may be earned at the lower rate, but it is always paid out at the higher?

Mr. Hunt: I would defer to Tom.

Chair Furfaro: Folks this is a liability to the County. If someone earns it when they were with the County ten years ago at such and such a rate that is what we book the liability at. You would practice that. When he earns it in his 20th year at a higher rate, all that we put in the vacation bank would be paid out at the rate that he earned at the time. What agreement do we have that says we pay them out at the last classified rate? What document do I have that I can go to? That is the Civil Service law...oh, that is the Bargaining Unit agreement. What do I have?

Mr. Hunt: I am not sure, but I could speak to the vacation as you are taking vacation...you are essentially taking from your bank. So I would assume if you earned something 20 years ago, the next time you vacation, you are talking off there and putting in with your new vacation. I do not think it is tied to a specific date. It is a capped, fixed amount. So if you had earned thousands of hours of vacations, but are allowed only to carry out 720 that is being pushed out every year every time you do not take a vacation day that you earned more than...it is pushing it out.

Chair Furfaro: I understand that. It is a pretty common practice you cannot bank more than "X" amount of hours. I am talking about the liability. What you are telling me that you cannot direct me to a document that tells me that we do not bank it what they earned it at, but we bank it at the hours that they are currently paid at?

Mr. Hunt: I cannot point to the document. I do not know.

Chair Furfaro: Tom?

Mr. Takatsuki: Basically they get paid out at the dollar amount paid out is based on the last.

Chair Furfaro: What do you have that says that? We will send it over as a question. I want to make sure that we are not inflating our liability exposure. So we will send it over as a question. Fair enough. You still have the floor. Were you finished with that follow-up?

Mr. Chock: Thank you, Chair. So I was just trying to get an understanding of it, since it has come from the Director of Finance's Office to yours, is this amount reflective of people within our HR Department or across County services, other Departments? Because in our last presentation with Planning there was an amount that was directly for Planning. So I am just trying to understand.

Mr. Takatsuki: I think originally we did our budget and they did request for a vacation payout for DPS, our Office. Subsequent to that, an additional amount was added to as the Finance Director said to cover unexpected retirements and vacation payouts. Because I think when we did for our Office for myself and tentatively Crystal.

Chair Furfaro: Introduce yourself.

JANINE RAPOZO, HR Manager: Just for clarification, the amount of vacation payoff in our budget reflects two different, I guess, accounts that would be some for our own staff, as well as the carryover, should a Department not have enough in their vacation payout in case they do not have expected, or have unexpected retirements.

Mr. Chock: Clear now, thank you.

Chair Furfaro: You have answered my question, if they are throwing it the bank and not telling ourselves the real liability that is what I am worried about. You understand what I am saying, Tom? If we are paying them that, I want to make sure that we understand what the potential liability is. Mr. Bynum and then Mr. Hooser.

Mr. Bynum: I have a bunch of questions. I do not need detailed answers. I want to start where on the organizational chart, can you help me put names on the HR Managers. Like who is in which category? There is Health and Safety, Labor Relations, Recruitment....

Ms. Rapozo: I am sorry, what page is that?

Mr. Bynum: The org chart. It is page 12. Good to have numbered pages.

Ms. Rapozo: So on the lower half of the chart there is an HR Manager II for recruitment and examination is Crystal Fujikawa. HR Manager II Labor Relations and Classifications that is technically Tom right now, who is also our Acting

Director. HR Manager II health safety employment that would be my position. I am not sure if you want but the Central Payroll Accountant will be Ken Villabrille.

Mr. Bynum: Who?

Ms. Rapozo: Ken Villabrille.

Mr. Bynum: Oh okay. Thank you. I just wanted to know who... Eventually the Civil Service Commission will have...you are Acting now Tom? The staff members that got Master's Degrees, great, awesome. I was a middle manager in County before and we had lots of incentives for that kind of...do we currently have that in place where people are getting degree related incentives, support, or time off, or stipends towards...

Ms. Rapozo: We do not have anything very specific like that. However, the Department has fully supported them. Luckily those classes were at night or on weekends so we were able to support them, if they needed time off to do their projects or things like that. Another thing we actually have one more HR Specialist that will be starting the program this year. So we are really excited and we have given her all the support that she needs to finish the program.

Mr. Bynum: I went to the KCC graduation when Debbie was the speaker and now she has got her Masters?

Ms. Rapozo: Yes.

Mr. Bynum: It just seemed like she just got her B.A.

Ms. Rapozo: That is correct.

Mr. Bynum: Good job, she is really motivated. Real briefly when I was in Accounting we had three ways of training, training that was required, training that we identified as job-specific, and in those instances, time off work, tuition, support from the County. Then we had a third training that a pot of money that employees could look out in their professional career and make their own proposals. So there was a real strong support for that upward mobility and other Departments have been talking and even in Public Works, making people electricians. So I really support that and thank you. 720 days is the max...720 days right, not hours is the maximum accrued vacation?

Ms. Rapozo: Hours. It is 90 days.

Mr. Bynum: 90 days. Okay. Thank you for that clarification.
Firefighters are a new HGEA?

Ms. Rapozo: No, the Water Safety Officers.

Mr. Bynum: So they are not in the Fire Union, they are in HGEA.

Ms. Rapozo: Currently they are in Unit 3 and the Legislature passed the bill that has...it has been pending for a while. At least a couple of years and

finally passed last year, I think. Created a new bargaining unit, which includes Water Safety Officers and the State has some positions as well. Is it Sheriffs?

Mr. Bynum: So this will be consistent Statewide?

Ms. Rapozo: Yes.

Mr. Bynum: There was some discussion about them being in the Firefighters' Union, which is a different union.

Ms. Rapozo: They were in white-collar clerical which really did not fit their needs and so the creation of the new unit for them.

Mr. Bynum: I wanted to understand the situation with Brandvold Ku, our workers' compensation people for a long time and they merged with another company? Could you explain that?

Ms. Rapozo: Actually, Ron, I think, was having a little bit of a hard time...Ron Brandvold, the owner of Brandvold Ku, so in order to try and assist his workers in getting them...having them continue working he did basically merge with First Insurance Company. So luckily for us, all of our adjustors moved with the merge.

Mr. Bynum: Including Ron?

Ms. Rapozo: Ron is kind of on as a consultant for the first year and then will retire, but he is still assisting.

Mr. Bynum: Elle Wood?

Ms. Rapozo: Elle Wood, Susan Tokuhama. Yes, we still have them, but it is just a different company. So we just have to see that everything will remain the same. We have had very good service from them.

Mr. Bynum: Yes, I think we have been pretty happy with that team. So I just wanted to understand that better overall. It is not like anything is perfect, right? I love the card. Thank you, very much. Now I know where to find Sherri's number easily. I just love that. I want to understand your final statement Thomas. It would have been better if we just started from scratch, but we could not do that, right? We have Civil Service and we have the structure that we have in place, and we have the Charter. That was what you were referring to there?

Mr. Takatsuki: Correct.

Mr. Bynum: I want to concur and understanding the difficulties of making this transition in the County government and Civil Service with Charter issues. Looks all good to me. I think it is important to get to someday, the kind of employee support I was talking about that I think as a County who moved to HR sooner, that is the kind of benefits and very demonstrable reduction in liability costs for everything from injuries to harassment suits. So thank you for the good work. Hang in there with the transition and I will be interested to see how the leadership shakes out. Thank you.

Chair Furfaro: Mr. Hooser.

Mr. Hooser: Yes, good afternoon. I apologize if the question may have been asked already. I do not mean to be redundant, but I was a little distracted. The discussion on the vacation set aside, if you would for...what do you call it? It is like a bank. Vacation credit payout. So I understand the need to budget for that. The various Departments have to estimate who is going to retire and who does not retire. Are those funds in a lock box or something or can they be used for other purposes? So if you said aside "X" amount of dollars and they do not retire, those funds can be transferred for other purposes within that Office is that correct?

Ms. Rapozo: I am going to defer to Steve on that one.

Mr. Hunt: They are General Fund dollars so they either lapse with the budget or they could be used for other salary related expenditures. There would have to be a transfer request with the Department showing what is the justification and the need to move that. First would be, what employee did you budget that for did not retire or is there a commitment to stay on that changed that use.

Mr. Hooser: So they could be used for dollar funded positions?

Mr. Hunt: They could be.

Mr. Hooser: What is the history of estimating the costs? Is it pretty good? Or is there traditional lots of funds that lapse or lots of funds that are used for other purposes?

Mr. Hunt: The vacation payout primarily is based on actual payouts. When we do our estimate it is based on a historical trend and it is difficult from an accounting side to put a figure on who is retiring and at what pay level and how many hours they accumulated? So it is a best-guess I guess, but based on actual trends. At the Department level, again the budget request is that they try to budget within their own Departments for the known or people who have indicated that they will retire.

Mr. Hooser: I understand that money is tucked here and there on different accounts. For good purposes but could be moved around. If that money is not budgeted and say there is say surprise retirement and they have to do a payout and those funds come from an internal transfer?

Mr. Hunt: First it would be within the Department those are utilized first and if they budgeted for two employees and both had significant payouts, they would then come to currently Finance-Accounting to tap that fund for payout. Now it would be going to DPS. If it was massive retirements that hit beyond what is budgeted, including the Department and Finance-Accounting or now HR / DPS, then we would have to come before you for a money bill to pay that off, assuming there is fund balance left in the Unassigned Fund Balance account.

Mr. Hooser: Thank you very much. That is all the questions that I have. I will have some other questions on other items.

Chair Furfaro: You can continue with the floor.

Mr. Hooser: I had a question on the vacancies. Is there going to be a...

Chair Furfaro: We are going to get to that.

Mr. Hooser: I will wait until the presentation on the vacancies. Thank you, Director.

Chair Furfaro: Steve left. I am still on the same subject. Thank you, Steve. So we can move on here, we have the long-term employee retirement benefits on the separate place with the State and the vacation and sick-leave, the sick-leave, there is a conversion ratio somewhere, right? Going back to the same question I wanted to know about vacations staying on the payroll or payout and now I am on the sick-leave line. They have a conversion ratio?

Mr. Hunt: It is not a direct payout. The compensable are the...sick leave is converted into years of service to be credited.

Chair Furfaro: That liability, who checks that liability as a pretty accurate number for us? I guess it would be reported in the CAFR, right?

Mr. Hunt: The CAFR makes reference to that as a potential liability, but it has also been part of our audit finding in terms of not having the accruals accurately booked. So until we know how much is out there and put an individual price tag based on the current employee's wages, it is something that we are guesstimating and we do not have an accurate booking of that.

Chair Furfaro: This is not a reflection on you, but this is the second year that we had this kind of uncertainty here. What Ann is doing to book this liability that would show up in our CAFR is I guess to simplify we are taking this estimated average earning per employee, multiplying it times the number of employees who earned a vacation, times 96 hours and multiplied against the blended rate of earning? Something like that?

Mr. Hunt: It is even more complicated than that unfortunately because you cannot predict how many hours remain at the time of retirement and some burn through their vacation, taking more time off. So you lose the production, but do not have a bankable payout because they are taking it while in service. Again, it depends on if you have someone who has maxed out at the 720 hours today, but is not planning to retire for 20 years, we do not know at the time that they retire what that amount will be. Again it is a moving target and the best we can do is track and compartmentalize and guesstimate how many will retire in any given years, but there are accruals into the future that we have to guesstimate a price tag on.

Chair Furfaro: What I am asking, since you say it is a moving target and I did not explain all the details, but I certainly have the formula right, right? Who is going to try and tie that number down for us? Because you see, people are looking at that and maybe is that cash we can use? What I am just saying that I first want to make sure that we are very close to what the liability would be.

Mr. Hunt: Just putting it in current dollar terms because we have do have moneys budgeted throughout budgeted in various Departments. We have

\$475,000 collectively budgeted for vacation payouts. Departments and in Accounting. Our current unencumbered balance of that is only \$24,396 left. That is pretty tight, but again, most of the retirements occur typically end of year, December. So once we get through that hump we do not have that much through the remainder of the year. That is pretty tight budgeting for that number.

Chair Furfaro: As the Finance Director, who do you see doing that? Is it Finance or the new Human Resources?

Mr. Hunt: I believe it is a payroll function because you need to know their hourly pay and get through the reconciliation as was mentioned. Ten Departments have been reconciled and we still have nine to go and until we get to an agreeable accurate number and apply that rate to that, we can get an accurate number what that is. Assuming that they do not drawdown or add more, whatever, that is part of the annual process, but at least a ballpark to say this is where we anticipate that liability be as of today.

Chair Furfaro: As the Finance Director, what is your targeted goal for that? December of this year?

Mr. Hunt: Once we get through reconciliation and the HRIS. When the two is tied together and we know how much is being accrued and we can printout at any one point that this is the payout and their current rate, then it could be done almost simultaneously when a request is in. Until we have gotten through the reconciliation process, I do not want to commit to any time.

Chair Furfaro: Okay. I can buy into that, but I think you know where I am driving this thing to the point it has got to be high on somebody's radar screen as far as getting us to the point.

Mr. Hunt: It is and it is very closely tied to the HRIS system. So we are working in that direction.

Chair Furfaro: Sounds like you feel comfortable.

Mr. Hunt: I feel comfortable that we are making very good strides. I do not want to commit to a date.

Chair Furfaro: Good answer. Thank you. Okay. That is all I had, Steve. So we can move on to another subject. Going around, new questions, Mr. Hooser, do you want to start with any new questions for HR?

Mr. Hooser: Vacancy report. Okay. The vacancy report is a snapshot in time for this quarter is that correct?

Ms. Rapozo: Yes.

Mr. Hooser: In round numbers, I counted...not counting the Department of Water, about 112 vacancies or do you have a number?

Ms. Rapozo: Yes, that was part of the original vacancy report that was submitted. This was a revised copy that just had a little bit more on the status.

So based on the last...the 3rd Quarter Vacancy report there was a total, including Water of 120 vacancies, 20 were Water. So General Fund there were 64, Grant funds 14, Liquor 1, Golf 2, Highway 9, Solid Waste 5, and Sewer 4.

Mr. Hooser: Okay. So General Fund was clearly are the more flexible positions in terms of funding. Sewer Fund, if those positions could only be used for sewer, etc. and Special Funds. Is it safe to say the way the vacancy works, so say this report there is 100 vacancies and if we did a report a month from now, there would be another 100 vacancies, as things fill, people retire, people quit at any point in time there is about 100 vacancies or only around budget time there is 100 vacancies? You understand what I am trying to say, because people come and people go and there are always vacancies.

Ms. Rapozo: This year has been a little bit more challenging as far as filling vacancies, because there was also a directive from the Mayor to try to keep it vacant, to try to have some savings. So some Departments were trying to put on that six-month moratorium. This might be high because we were not able to fill...or because I guess it was kept vacant. If you are using that as the standard, it would be almost like they would always be the same amount of vacancies. We are trying to get that down, but people come and go all the time. A lot of them...there was a lot in certain Departments that we are trying to work with as far as promotions. It takes a little longer for certainly Departments to fill those and all that does is basically puts another hole in another position.

Mr. Hooser: Thank you for that. So if we just pick a number, seems reasonable, 100 vacancies, six months from now, different positions, but the same vacancies. So do you have any amount of that what dollar amount equates to if you annualized that approximately? I know some are dollar-funded and others are not. Or daily?

Ms. Rapozo: The 3rd Quarter represents about 75%. So we also have that figure based on the savings from all of those vacancies. If we take the positions...if we are just looking at General Funds for this particular budget year it was \$1.2 million.

Mr. Hooser: \$1.2 million that were budgeted for the positions, but were not used for those positions?

Ms. Rapozo: Yes. This was estimated salary savings for all vacant fully / partially funded positions from July 1, 2013 through March 31, 2014, for three-quarters.

Mr. Hooser: I am sorry for repeating myself.

Ms. Rapozo: It is okay.

Mr. Hooser: \$1.2 million for the year?

Ms. Rapozo: Yes.

Mr. Hooser: Estimate for General Fund positions?

Ms. Rapozo: Well, that was for three-quarters.

Mr. Hooser: So not for the year. For three-quarters.

Ms. Rapozo: Yes.

Mr. Hooser: We could average that out. Do we know whether those funds were used for other purposes or whether they lapsed? I do not mean to call the Director up...in general you do not know?

Ms. Rapozo: Generally I would not know what each Department is doing with those funds. Sometimes if there is a vacancy, they may have a short-term hire in order to get the productivity up. So there may be some of those funds used for those purposes.

Mr. Hooser: Okay. I think that is all I have right now. I will think of some more in a second, in case you were worried I did not have any more questions. Thank you, Janine. Thank you Chair.

Chair Furfaro: Janine, just make sure that you folks understand, I will be sending over a question. If that million dollars in unused payroll for those that have the dollar amounts represents 75% of the year, the fact that with the current trend, the year will end at \$1.3 million roughly or \$1.33 million. If that is true, we would like to know of that amount, how much was directed or diverted to other areas. That is the question that I am going to be sending over. You are saying your estimates are how much?

Ms. Rapozo: \$1.2 million.

Chair Furfaro: \$1.2 million. So it is even more than that, for 75% of the year. That basically says that there is \$400,000 each quarter that was not earmarked. So end of the year \$1.6 million and if that is the true trend on the payroll indicators, how much of that was used or directed to other locations? That is what we would like to know, okay? I will just send that over as a question. I do not need it answered now. But we want to verify your forecast there. Mr. Bynum...I am sorry, Mr. Hooser.

Mr. Hooser: Just a follow-up. See I have more questions. The way I understand how special funds work, Sewer Funds used in sewer, but I am guessing there are positions Wastewater, some funded by special funds and some funded by General Funds? I appreciate the answer to the General Funded that came out to the \$1.2 million for the three-quarters, but special fund vacancies also are funds that we should know the same answers. Because those theoretically even though they can be spent say on Wastewater, we could supplant General Funds, are you following me?

Ms. Rapozo: Yes.

Mr. Hooser: If we have unspent Sewer Funds we could ship them over and save those General Funds. So if the same question that the Chair was asking, if we could have detail on.

Ms. Rapozo: Yes, actually the detail is on the quarterly report that was submitted...think it is on the Council agenda next week, on the 23rd.

Mr. Hooser: Okay.

Ms. Rapozo: So you should be getting that.

Mr. Hooser: Then we can look at that and ask more questions.

Ms. Rapozo: If you want.

Mr. Hooser: I am just playing with you. I appreciate your information. Thank you.

Chair Furfaro: On that note, I do want...before I recognize Mr. Bynum, I do want to thank your Department for working closely with me on the vacancy reports. It has a new format and I wanted to ask the second part of the question, money was moved to go elsewhere, I mean, the Auditor's Department is a perfect example. I do not want us to be counting on money that was actually consumed elsewhere. That is why I would like to get the comparison from Finance.

Ms. Rapozo: Right, just for clarification for this year, that figure is say a little higher as I stated because there were some Department Heads that were trying to follow the Mayor's directive as trying to hold off on those positions.

Chair Furfaro: I think it is actually higher because I would like to give the Department Heads a little bit more credit than just follow what the Mayor said, they actually listened to what the Mayor said. Mr. Bynum.

Mr. Bynum: Some questions that pop out to me after looking at the vacancy report and I am asking for your perspective, you might say you need to ask the Department that and if that is the answer, fine. Because I unfortunately missed some budget sessions. But having said all of that in the Police Department, there are all of these high-level positions. The report says promotion effective May 1. Now these are positions that people are officially promoted, but they are not actually vacant, but under filled by people who do not have that title and we do not have that many high-level vacant positions in the Police Department for that long, right?

Ms. Rapozo: There are...those are vacancies and they are probably doing some kind of temporary assignment and a lower level position is probably doing TA, up into those positions so some of those costs would be incurred by the Department. Those are positions and the reason why they say they are going to be filled is that they are actually going through interviews tomorrow and Thursday.

Mr. Bynum: I am referring to the positions Detective, Detective, Police Lieutenant, and Captain. Some of them vacant for 1,600 days, 800 days, I assume those positions maybe have not been officially filled, but somebody has been there doing those jobs, right?

Ms. Rapozo: It is probably through a TA, a temporary assignment. They have not permanently filled that position.

Mr. Bynum: So they are not real vacancies and the Chief says he is going to make all of these promotions is a very substantial number of promotions all on first of May?

Ms. Rapozo: That is what the anticipated date is, correct. They are going through interviews right now and it is a matter of making the selections and moving those particular individuals.

Mr. Bynum: I just need to understand that better. Maybe someone could help me, because I just need to understand that better. I do not believe all of these positions are vacant right now and I think they are TA'd. So I am confused.

Mr. Takatsuki: The positions are basically vacant. Because they are vacant they have not filled the positions for whatever period of time it is. They have been temporarily assigning, say for the Captain's position, that they have been temporarily assigning a Lieutenant to perform the Captain's work.

Mr. Bynum: I am surprised when I see these numbers that there is such a long backlog of promotions in the Police Department that have not happened. A Detective position opened for 1,600 days. A Police Captain opened for 835 days. I did not know that there had not been promotions for that long to fill out the upper structures. Is it not significant that the Chief is reporting this many promotions happening all on a high-level promotions, 8 positions that are pretty senior.

Mr. Takatsuki: One of the Captain's positions was held by the Deputy Chief of Police. So I think they had the position kept open in the interim if the Deputy had rights back to his old position. I think for a period of time they kept it opened and did not fill the position. So what happened then they were basically temporarily assigning someone else into the position.

Mr. Bynum: I understand how that happens in the County and for good purpose, to give people options and stuff, right? So that is one of these?

Mr. Takatsuki: That is one of the positions.

Mr. Bynum: I can follow-up later. It just kind of leaps out at you that wow we are going to have eight high-level promotions in these few days at the Police Department. That is going to be interesting. My other question I have never fully understood the relationship that we have with the Water Department and in your report you show all the Water vacancies and it seems like the Water Department is in crisis and they have all of these engineer positions open for a very long time. Then in the status it says, "not applicable." I would like to know the status. I would like to have...is it not the Council's ...maybe this is a legal question. I know we are semiautonomous, I never understood what that meant. I have some real serious concerns when I look at this report and I would like to have more information about what is the status of these...welder position for 4,837 days it has been vacant. Civil Engineer 525 and EM-7, Civil Engineer VII, all vacant right now, these are actually all vacant? How many engineer positions does the Water Department have?

Ms. Rapozo: I do not have that information.

Mr. Bynum: So we get that data because it is in personnel data. But we do not have status because the Water Department does not report that to you?

Ms. Rapozo: That is correct. They pretty much control their own recruitment. However, we were asked to report on all vacancies in all funds.

Mr. Bynum: Right. That is why I do not recall ever seeing this report before. Some of the things kind of leap out and cause you to ask questions. Would you agree? Is there a serious under filling of positions at the Water Department? That is what it looks like.

Ms. Rapozo: It is a high percentage. However, I have to say in the last month or two, there have been a lot of positions that were filled from the Water Department, which it appears that they are trying to move on these positions.

Mr. Bynum: Well, I do not know if there are any attorneys here, but I want to understand better what the Council's oversight role, if any, is over on these matters? It seems like we would have some role at least on the budget and personnel side, even though we do not have control over the budget at least on the personnel side. So I have never understood semiautonomous and what it comes to these matters why we have not received these reports in the past, I do not recall seeing Water vacancies...maybe I am wrong...these are just open-ended questions.

Chair Furfaro: Can I add something to that?

Mr. Bynum: Please.

Chair Furfaro: You folks do not know, I have them coming to us on July 23rd. The Water Department. Okay? For certainly looking into their operating budget. I was trying to have them here, but they are going through a change of accounts and started their budget late and the whole process. On Thursday I am working with Ernie and Steve because I am going to their board meeting and I am going to pose some questions to them. I am just offering that to let you know what perception I have. Also I want to find out a little bit about some of their understanding about our role. Because they are actually borrowing money that the Council underwrites for their projects and I want to get an update on their water projects as well. So I will be touching base with them on Thursday. My questions are very similar to what Mr. Bynum has, but they will be in front of us in a Council Meeting on the 23rd, Mr. Bynum.

Mr. Bynum: Can I continue?

Chair Furfaro: Yes.

Mr. Bynum: Thank you, I appreciate that. It is just that I love data. Data poses questions and then you get more data and answer them. So when you just look...when I see this, what numbers leap out, right? Of course long vacancies. 800 days, 1,000 days. Most of them have explanation. That is a dollar-funded position or we know this is a historically difficult position to fill, that kind of thing, but other numbers just leap out at you. Because we have tightened up our budgeting since Mr. Barreira has been here and we would not have a 4,000-day fully funded position in our budget, right? We would say hey, there is no intention to hire this. It is an important position, let us dollar-fund it and not leave it in our budget for 4,000 days. So those numbers leap out at

me and I think I might be asking a larger legal question that might be inappropriate for you, but I would like to understand and someone give me a briefing where the Council has responsibility over this? Because in the charter we have fiduciary responsibility for the whole government. Thank you. Enough for now.

Chair Furfaro: We have all had a very hectic time with members gone, so if we do not catch all the pieces, but I do have perfect attendance so far and the KPD report says there are 16 potentially sworn officers eligible for retirement and also identifying an additional three civilian vacancies, dispatchers and they are planning on promotions in May. So we can get some more detail here. That was in their budget presentation. Thank you. Mr. Hooser.

Mr. Hooser: Yes, just a brief follow-up on the Police issue, so we can understand...so I can understand a little bit about how it works. So if I am a Lieutenant and this is a Captain, and the Captain is vacant. It will show up on the report...if I am TAing for the Captain, where is the vacancy?

Ms. Rapozo: The Captain.

Mr. Hooser: The Captain. Okay. And now if I am promoted to be Captain, now I am vacant?

Ms. Rapozo: Correct.

Mr. Hooser: So these vacancies will not change at all in terms of the numbers?

Ms. Rapozo: The numbers, correct.

Mr. Hooser: Okay. So the budget impacts will change a little bit, but there will be still be lots of funded positions that are still vacant? Even if it trickles down?

Ms. Rapozo: True, except I think with the Police Department right now, they are dependent on these promotion because they have a new class starting May 5th and they need those positions, the lower-level ones and they are actually filling them quicker. So they are not going to be as many numbers vacancies because they are filling it right as the other promotions are being made.

Mr. Hooser: The other question is a more general question for the public and for me to refresh me, how many employees...not counting the Water Department are employed by the County of Kaua'i in round numbers?

Chair Furfaro: 1,180.

Ms. Rapozo: That includes Water.

Chair Furfaro: Yes.

Mr. Hooser: 1,180 including Water.

Ms. Rapozo: Water has about 80, 75-80.

Mr. Hooser: 1,180. We have 120 vacancies. So just kind of giving me some context there. Thank you. Thank you, Chair. I should have none known, he knows all the answers.

Chair Furfaro: Mr. Bynum, you have the floor.

Mr. Bynum: It shows five new recruits starting...a new class is that five?

Ms. Rapozo: That is why there is only five to start because we have to use the other numbers.

Mr. Bynum: Right. So he has to do some of those promotions May 1st or they will not be freed up.

Ms. Rapozo: Yes.

Mr. Bynum: I knew...I was just surprised there had not been promotion in so long. Just for the general public it does not impact budget that much because people are TAing in those positions and getting the salary...when you TA, you get the higher salary, correct?

Ms. Rapozo: Correct.

Mr. Bynum: As it should be. Thank you.

Chair Furfaro: I am going to come back to my original comments. So what I am looking is that we have this number, and you have got to be really careful with this, because I think Mr. Hooser summarized pretty good. You have what is called "the classification and budgeted dollars" and then over here, you have "the staffing guides with the number of employees." The number of employees here is kind of a moving target, because people retire each year and people get hired and so forth. But people do not fill the job code immediately until they get the job. The job code stays vacant. But when they are in the staffing guide, they are being TA'd to the rate of pay that they earned in the temporary transfer. So that is the number that you have to deduct from just reading your job codes of vacancies from where these expenses are actually going. There are people that are...I went to the bank today at lunchtime and an acting teller and somebody behind her, part of the upwards staffing movement. You have to understand you and Finance have to do that number and not just throw a number out and say that is the dollar vacancy because some of that is spent in temporary transfers and that is what I want to get reconciled.

Ms. Rapozo: That is correct and there are other issues as far as paying overtime, which is still in the salary column, but productivity-wise they may have to spend overtime because of the vacancy. So there are a lot of different items that need to be considered. Some of the Departments use the Section 3 of the Budget Ordinance to fill it with a short-term hire, which again would deplete the moneys. So I think absolutely this is not a correct figure.

Chair Furfaro: I just want to clarify that. You know what my vacation pay is? Zero. You know that I come to work every day, but I am classified "part-time." We depend on you folks for those facts so we all have the right information. So please if you can work with Finance on the temporary transfers and staffing guides versus

the job codes and vacancy, because nobody is in there permanently because they are there on temporary transfers. Fair enough?

Ms. Rapozo: Yes.

Chair Furfaro: How long do you think before you can get that to us? Give me something that you can live with, but it cannot be after May 8th? It is important. This is the big part of the County's operating expenses is tied to employees' salaries and benefits.

Ms. Rapozo: I am turning around and am looking at the Finance staff because a lot of the numbers would be coming from them.

Chair Furfaro: So two weeks or May 2nd, which is it?

Ms. Rapozo: Which is longer?

Chair Furfaro: Which is shorter?

Ms. Rapozo: May 2nd. I think two weeks is what Ernie said.

Chair Furfaro: We need it and we need it before we get to May 8th, okay fair enough, Ernie?

ERNEST W. BARREIRA, Budget and Purchasing Director: Yes, sir.

Chair Furfaro: Moving along here, any other questions in HR Department?

Mr. Chock: Thank you, Chair. More of an observation I have been holding off on sharing. First of all I want to say that I am really excited about what you folks are working on and are moving us in the direction of pulling these resources together. I am a true believer that the right mission statement can really drive an organization if put together properly. I just wanted to recognize the work that you folks did with the customer service as well. I have been seeing, as I mentioned before in all of the presentations, mission statements come from each Department. The way I look at mission or if I was stated "vision" is what it looks like in the future about what we want. The mission statement is more about how it is we are going to get there. What is it that we are going to do to get there? From the leadership development standpoint, I thought it would be important to share and not to be critical and I am not critical of your Department, but more general in what I am seeing. What we are looking at is that if you can get the people together to work on and commit to, then you will see the words of your statement coming to fruition. Based on this research that I am aware of it would make sense that some of the mission statements are tangible and easy to remember. I can specifically recall or state that there are many mission statements that are very long and difficult to remember. So the idea would be that if you cannot remember it, you cannot recall it, it is not tangible and you cannot act on it. So I am an advocate of that. I would work towards that with every Department as I intend to. But it needs to be clear in order for us to invest and commit towards. That is something that I wanted to share earlier, Chair. Thank you for that time. Other than that, I had one question. I think I was phasing out when the preparation was going on with the payroll transition and then the space plan. I was not sure what the space plan was. If you could repeat that portion? How we are getting to space?

Ms. Rapozo: We just want to ensure that the three staff feel that they have a place to come. So we have been working on making sure that we have basically three work spaces for the three people coming from Finance.

Mr. Chock: Understood. Is that coming along?

Ms. Rapozo: It is. It is.

Mr. Chock: Thank you.

Ms. Rapozo: You know we are separated right now.

Mr. Chock: I understand.

Ms. Rapozo: But that is fine, it works.

Mr. Chock: It sounds like a common thing. I have heard that a few times and I am glad that everyone is paying attention to it and we hope that something materializes in this fiscal period.

Chair Furfaro: We are coming up on a tape change and take a little caption break here. Do you know what company has a one-word mission statement?

Mr. Bynum: IBM.

Chair Furfaro: That is right. The one word is "think." That is their mission statement at IBM. We are on a caption break and tape change. 10 minutes.

There being no objections, the Committee recessed at 3:05 p.m.

There being no objections, the Committee was called back to order at 3:15 p.m., and proceeded as follows:

Chair Furfaro: Okay we are back and just some final questions from me, if I can. I do not quite buy into the total amount that you have got on the vacation credit payout, but we will wait for that area. The only other areas that seem to basically bring some attention to me is the...this line that deals with "training." It seems awful low for all of the things that you need to be doing, and even on "consultant services" seems to be low. I appreciate it is low and it is a little higher than what you have had in the past, but for all that you have to do, are those numbers you are comfortable with? Training and consulting services?

Ms. Rapozo: I think we are comfortable with that. A lot of our trainings we try to engage others to assist us as far as our insurance broker and so that they can come and provide some training at no-cost to us especially the OSHA-related ones. So we have been very fortunate on that. So we have been using a lot of other resources in order to try and minimize the cost for training and still be able to provide what we need. So I think I am comfortable with that, if you are comfortable with that?

Chair Furfaro: Tom, same question, training and consultant services?

Mr. Takatsuki: We are pretty comfortable with what we have at this time. We will try to use what Janine said, in-house training, as well as getting training from the State and other jurisdictions.

Chair Furfaro: Let me go around the table and see if we have other questions. We have questions coming over, but before we call it a day with you folks, other questions? Mr. Hooser is fine. Mr. Bynum, you are fine?

Mr. Bynum: Thank you, I am fine.

Mr. Chock: Thank you, Chair.

Chair Furfaro: Well, thank you very much. I do want to encourage you to try and reconcile that number for us on the staffing guides and the variances before the end of the month, please. Other than that, I thank you very much for your presentation, and you are finished for the day.

There being no objections, the Committee recessed at 3:19 p.m.

There being no objections, the Committee was called back to order at 3:19 p.m., and proceeded as follows:

Office of the County Clerk

Honorable Tim Bynum
Honorable Mason K. Chock, Sr.
Honorable Gary L. Hooser
Honorable Jay Furfaro, Council Chair

Excused: Honorable Ross Kagawa
Honorable Mel Rapozo
Honorable JoAnn A. Yukimura

Chair Furfaro: Thank you. Thank you. I think we are looking for the County Clerk. Good afternoon Ricky and everyone from Council Services. We have both Council Services and the Elections Division and this is an election-year for Q&A, along those areas. You have some detail for us covering some Election-related bills and proposals that are going on at the State level.

RICKY WATANABE, County Clerk: Yes.

Chair Furfaro: You three all introduce yourself, one at a time and you take it from where you want to take it.

Mr. Watanabe: Ricky Watanabe, County Clerk.

JADE K. FOUNTAIN-TANIGAWA, Deputy County Clerk: Jade
Fountain-Tanigawa, Deputy County Clerk.

LYNDON YOSHIOKA, Elections Administrator: Lyndon Yoshioka, Elections Administrator.

Chair Furfaro: Thank you Lyndon. Where do you want to go first Rick?

Mr. Watanabe: Our plan Chair is that I will give a brief overview of the responsibilities of the Office of the County Clerk and turn it over to Lyndon for the Elections Division, and then Jade, our Deputy will do Council Services.

Good afternoon, Council Chair and Members of the Council. It is our pleasure to be here today to address our budget and answer questions that you may have. I would be remiss if I did not thank our staff, the entire staff and all the hard work that they do and all the improvements that they made over the past couple of years, or three years, Chair. Especially thank the Council for your support of the Office also. The Office of the County Clerk is responsible for the following: First of all we take charge of and file all records, legal documents, minutes, communications, ordinances, and resolutions that are enacted or adopted by the Council. We execute and certify all official documents that are approved. We conduct all Elections held within the County pursuant to the Charter, State Law, and Federal Law. We serve as the Clerk of the Council responsible for recording and transcribing minutes of meetings held by the County Council and its Committees. We do research and provide services to the Council and the public. I serve as the Department

Head who appoints the Deputy County Clerk and hires the Staff of Council Services and Elections. To accomplish these responsibilities we have two Divisions within the Clerk's Office. The Division of Council Services, and the Elections Division. We will have Lyndon cover the Elections Division first, so he can tend to election responsibilities prior to the end of the day. So we will take Lyndon first. Lyndon, do you want to come here?

Mr. Yoshioka: Good afternoon, Mr. Chair, Mr. Vice Chair, and Councilmembers.

Chair Furfaro: Good afternoon, Lyndon.

Mr. Yoshioka: I will be do an overview of the presentation and I will be passing over some of the nitty gritty details and if you have any questions at any point, please stop me and I would be more than happy to respond. Our mission is to provide open, accessible, fair, and secure election services for the residents of Kaua'i County and also to provide quality document reproduction services in an expeditious manner. Our goals and objectives are to conduct elections in accordance with Federal, State, and County laws and establishing sound policies and procedures which ensure the integrity of the electoral process. Offer services that are convenient and accessible to all stakeholders, provide quality reproduction services to County Agencies in a timely and expeditious manner. We are currently working with a vendor, Profitability of Hawai'i to upgrade our Signature Management System. We awarded them the contract March 4th and issued a notice to proceed on April 8th. The upgrades that we are seeking will provide our Office with in-house scanning and indexing capability and allow for multi-users to access the system and contract with them to host, as well as support the system. The project is on-schedule and we expect the whole thing to be completed by late to mid-May. We are also in the process of evaluating proposals and response to an RFP for a new Statewide voter registration system. This system will also provide online voter registration capability, as well as an election management component, because we are currently in the procurement process, I cannot get into any more details than that. But we do anticipate selecting a vendor by May 2nd. This system will be requiring each of the Counties, as well as the State to provide an annual maintenance expense. We will be coming forward in budgets to come with that amount once we have established a contract. We have over the years have tried to improve our capabilities with absentee mail is concerned because of the growing number of people who like to vote that way. In May of 2013 a representative from each County in the State observed a very, very well run all mail election in Multnomah County which is in Portland. Despite the huge difference in voter counts, they have approximately 440,000 registered voters, we have 40,000. We were pleasantly surprised to learn that our operations were very similar. That was quite well received by us because that shows we are in the right direction and can eventually make that move to all-mail elections if the need arises. Concerning legislation in the 2013 Session two bills approved Senate Bill 3 established non-partisan primary and general elections for OHA candidates. Senate Bill 827 established additional restrictions for absentee ballots that essentially prohibits employers, unions, candidates, and other agencies from assisting voters with completing absentee ballots. Bills...several bills...

Chair Furfaro: Go ahead and continue.

Mr. Bynum: Would you run that by me again. I have some particular interest in what you just said.

Mr. Yoshioka: The second bill?

Mr. Bynum: Yes.

Mr. Yoshioka: That was Senate Bill 827. It was signed into law last year. It prohibits employers, unions, candidates, or their agents from assisting voters in completing a ballot, an absentee ballot.

Mr. Bynum: So would that mean at the Farm Fair a candidate could not pass out absentee ballots to people?

Mr. Yoshioka: Well, they do not pass out ballots. They may pass out applications.

Mr. Bynum: Oh, you said assisting ballots. I was talking about registration. I was thinking they cannot assist people to register to vote. I am sorry, I was totally off-base. Never mind.

Mr. Watanabe: At the polls.

Mr. Yoshioka: No problem. We provided a handout with bills carried over from the last session or may have been introduced this current session. That handout is entitled "election-related bills at the 27th Legislature." This is something prepared and maintained by the State Office of Elections. We provided in the budget document information about the upcoming election contest dates, deadlines. I will not go into detail about that, however, we want to note that there will be Constitutional questions, as well as Charter Amendment questions on the General Election ballot and my apologies, I neglected to include that in the initial write up. So I wanted to provide that to you at this time. For the 2014 Election preparations we are in the midst of candidate filing and to-date we have issued 22 papers and filed nine of them. The deadline to file is 4:30 p.m. on June 3. So if you not already visited us ,please come on by. Election facilities all of them that are used either for training or Election Day use have all been confirmed. We use 8 State facilities and 7 County facilities that is either training or polling places and we use one facility at Kaua'i Community College to count ballots and generate election results. We are doing additional work to maintain the voter file and we do mailing. Most commonly known and is the yellow card that you get when you are a registered voter. That is also in additional information about dates and so forth. It is a way that we clean up the file to determine which individuals may not be at the address that they are registered at. We contracted with Oahu Publications to assist with the voter mailing. The initial mailings of these yellow cards is tentatively scheduled for April 24th and we will be doing supplemental mailings following the registration deadlines for the primary and general elections which fall on July 10th and October 6th, respectively. We will do public service announcements to announce those dates once they have been established. We are also required by Federal Law specifically the National Voter Registration Act of 1993 to do final confirmation mailings for individuals that have not kept updated information in their files. We have contracted with Hagadone Printing to assist us with this mailing. The white cards...any voter who is mailed a white card, if they do not respond within two Federal election cycles or four years will be purged from the system and that is the only way we can remove so-called "deadwood" from the files. There are stringent requirements that we need to meet. Concerning voter registration as I mentioned earlier, on July 10th is the registration deadline for the primary election. October 6th is the registration deadline for the general election. Every properly executed registration affidavit that we get we process within two days and staff really tries to get that done within a day or so. If the form is incomplete or in

need of follow-up for whatever reason they will get on that and if it is eventually determined that the individual is not eligible to register, we simply file those affidavits to keep on record in case we need to refer back to them at some point. In the budget presentation document we also provided some general statistics. I will not go into that in detail, but we did update those with numbers that are current as of yesterday. At some point, please take a look at them and if you have questions contact me and I will be more than happy to respond to any inquiries. We are also getting absentee mail voting operations up and running. We contracted with Hagadone Printing to provide us with all of the different envelopes that are necessary for ballots to be mailed, and Hagadone Printing has been contracted to assist with the mass-mailing of ballots that occur prior to each election. We have yet to determine the exact mailing dates, but public service announcements will again be sent out to announce those dates so voters have an idea whether to expect their ballots. We are also in the process of recruiting and training Election Day officials. Deadline for parties to submit names was April 4th and we are now in open recruitment and hopefully to fill all vacancies, as well as establish a pool of alternates. We have 12 trainings scheduled and we will schedule supplemental trainings if needed. Early voting occurs during the Primary Election from July 28 to August 7th. The General Election early voting period is October 21st to November 1st. So we are open Monday through Saturday from 8:00 a.m. – 4:00 p.m. The only change we anticipate is the addition of four direct electronic recording machines and we have asked for that in the current budget to address the increased demand for voting electronically in early voting. For this upcoming Fiscal Year 2014 elections are at the top of the list of things to do well. Our primary goal is always to provide the best possible service given the available resources. We learned a lot from last year, especially the impacts of an early election and I feel we are in a much better place at this point than we were in 2012. I think we will be much better off in the General. As part of an effort to increase awareness of the General Election in particular, we are proposing a General Election notification pilot project. This will consist of two direct-mailings. The first of which is tentatively planned for September sometime. We would like to provide detailed information about vote-by-mail and early voting in this first mailing. The second mailing we have tentatively planned for October and that will focus more on Election Day and what to expect. What to bring? Just general information. We will be working on those projects coming soon. We will need to issue an invitation for bid to solicit a vendor to assist us with this mailing and we plan to do that as soon as the new fiscal year begins and have a vendor selected by sometime in August. We also would like to micro film all of our documents. I know in the last budget we had mentioned wanting to do that in 2012, but after we looked at the numbers we did not have enough documents to make it worthwhile we believe. Having it done after 2014 will allow a fairly decent volume when we go out to bid. For our succession planning we do not anticipate any departures, but to build a more robust operation we continue to cross train staff and encourage them to seek training outside on their own. You know, in our office we approach training cautiously to ensure that staff is not overly burdened by responsibilities or perhaps expectations that exceed their position classification. Concerning vacant positions we do not have any and do not anticipate any in the immediate future. Overall, we understand and realize there is a bit of an increase with this year's budget, but that is primarily due to the increased demands on our Office based on the upcoming elections. That is all I have to offer. I would be happy to respond to any questions.

Chair Furfaro: Thank you. Very nice report. I want to thank you very much for this presentation. I have two questions for you. In this election-year, we are looking at increases in expenses related primarily, I guess, to the election of about \$185,000 over a non-election-year. Sounds about right?

Mr. Yoshioka: Right about there, yes.

Chair Furfaro: Okay. I see that we are moving the regular overtime in the election-year, we are moving that by almost another \$25,000. Is there any history of that that makes you want to move it that much?

Mr. Yoshioka: During an election-year, you know, we have tried and it is primarily related to trainings that we have done. We tried to do that after work, but it is difficult for people and we moved that to Saturdays that extends the amount of time that we need to work outside of the normal 40-hour workweek.

Chair Furfaro: This includes the volunteer training as well that you have to do?

Mr. Yoshioka: For primarily poll workers, counting center officials, delivery collection and all of that and also for additional workload in order for us to get work done. We have some very hard and fast deadlines that we cannot make and as, as much as we do not want staff to burn the midnight oil, we just need to hit those deadlines.

Chair Furfaro: Do we have fewer precincts?

Mr. Yoshioka: No the same.

Chair Furfaro: Did one precinct merge?

Mr. Yoshioka: We converted Ni'ihau to all mail. That was the only one.

Chair Furfaro: I was under the impression that we merged one precinct somewhere here.

Mr. Yoshioka: The previous year.

Chair Furfaro: It was the previous, okay. Mr. Bynum, questions for Elections?

Mr. Bynum: I think I got from your presentation that the State is moving to all mail-in voting eventually...did I hear that?

Mr. Yoshioka: Well, again, this does not reflect the views of my bosses or counterparts, but we see this increase in absentee mail and honestly, I think sometime within the next five, seven years we will be there. So what we did not want to do is be caught off-guard and so we have started to look at what we would need to do to make that transition. Our Signature Management System is one facet of that. It allows us to basically have one staff do the work that perhaps maybe three or four used to do.

Mr. Bynum: Right.

Mr. Yoshioka: So it just expedites the whole process, you know?

Mr. Bynum: I appreciate that forethought. I spent time in Josephine County, Oregon, where the entire State is mail-in voting. They do not have

precincts or any of that. So thanks for the forethought. I think it is heading that direction. I was interested in the bill of absentee polling. You have a status here...

Mr. Yoshioka: What bill is that?

Mr. Bynum: HB 2590, HD 1 allows voter registration for absentee places beginning in 2016 and late voter registration on Election Day at polling places. Did you offer testimony on this bill?

Mr. Yoshioka: We provided technical comments. Intent, it is good. Where we are concerned primarily with having sustained funding because there are additional expenses that are incurred by having something like that, early voting and at the polls. It does...at the polls especially, add a significant degree of complexity to responsibilities that poll workers will have to shoulder.

Mr. Bynum: Imagine Election Day in five years that you have offices open to register and let people vote on Election Day and everybody else is by mail. Anyway, thank you for all your good work. I have learned a lot from you and your Department about how elections are run and you are providing really good service. I appreciate it.

Mr. Yoshioka: Thank you.

Mr. Bynum: One final comment. As other states are making it harder to vote, Hawai'i is moving in the direction of making it easier to vote and that is a good thing. That is a personal comment.

Chair Furfaro: Mr. Hooser and then Vice Chair.

Mr. Hooser: Thank you for your presentation and good luck to all of us and to your Office for the coming election. I know it can be a stressful time and lots of things can happen, but you have done a great job over the years and I appreciate that. I had some general questions that because we do not see you here that often, that may or may not...I can ask you at the end how it relates to the budget, but on the sheet that you gave us regarding registered voters and what not. The voter declinations filed 5,677, those are people when you get your Driver's License, decline to register to vote?

Mr. Yoshioka: Yes. I am somewhat glad that you picked that up, because we have been approached in various matters to ask us what is happening with registration and why people do not want to register but that number really does say a lot. Because these are individuals who are conveniently offered the opportunity to register but they do not want to do so for whatever reason. You know, I cannot explain why this is happening, but it is something that we are concerned about. But something that we also believe much broader than just the efforts of our Office. I do not know if that answers your question.

Mr. Hooser: It does. I will ask you some follow-up, since the millions of people who are watching, I think there are some concern that people will say they do not want to be called to jury duty. You know, is there any relation between registering to vote and jury duty?

Mr. Yoshioka: Well, the courts do use the voter registration file, but I would also like to add that they use the tax database, as well as Driver's License. So it is not solely just voter registration that is used.

Mr. Hooser: The process is it an affirmative process or is it...for example a lot of forms you go online and the box is checked ahead of time and you have to uncheck the box. Is the Driver's License voting box already checked and you have to actively uncheck it?

Mr. Yoshioka: No. When you go to Driver's License, you actually fill out that form. It is a manual paper form. I believe you can also download one and fill it out at home, but you actually need to fill out the top portion with required information. Then in order to meet Statute, there is an affirmation section that requires you to respond as to whether you are of age. That you are a citizen. That you are a resident. You need to affirmatively respond and sign a portion of the form in order for it to be accepted.

Mr. Hooser: It is not something that people can just not see...it is pretty clear this is to register to vote.

Mr. Yoshioka: Yes what Ricky was mentioning there is a section, a statement that says if you want to register to vote, continue and if you do not, just stop here and not fill out that bottom portion. So there are notices built into the form, which would indicate at what point you need to complete in order to fulfill that registration process.

Mr. Hooser: Okay. You mentioned and I understand you cannot talk about details of the procurement, but you mentioned May 2nd voter registration electronic?

Mr. Yoshioka: The system?

Mr. Hooser: The system. My question would be, I think you mentioned the system would allow online registration. So assuming this moves forward is this for the 2016 elections?

Mr. Yoshioka: Yes.

Mr. Hooser: Okay, great and the vacancies. So I understand every election-year, the Office hires people to work the polls. You have mentioned that you still have openings, if you would and again for the people watching and if people want to work in the polls they actually get paid?

Mr. Yoshioka: They get paid a stipend, depending upon the position that they are hired for. They are required to attend one training...we encourage them to attend the regular training, as well as what we refer to as the hands-on training that provides them some experience with dealing with the voting machines. It allows them to basically pick up and ask questions about areas that they may be uncertain.

Mr. Hooser: That is working on Election Day?

Mr. Yoshioka: Yes.

Mr. Hooser: If they are interested to call the Office?

Mr. Yoshioka: Yes.

Mr. Hooser: My last question for now.

Chair Furfaro: Why do we not ask him the number of his Office?

Mr. Hooser: What is the number so the millions of people can call you?

Mr. Yoshioka: 241-4800.

Mr. Hooser: It is an opportunity to be part of the process on Election Day and get paid for it. The other common question I get in the community is the felony...if you are a convicted felon and incarcerated you are not eligible for voting?

Mr. Yoshioka: Correct.

Mr. Hooser: But if you served your time and you are out, you can register to vote?

Mr. Yoshioka: Correct.

Mr. Hooser: People think maybe they got in trouble one time and cannot vote, that is not true.

Mr. Yoshioka: That is not the case.

Mr. Hooser: It is only people that are incarcerated.

Mr. Yoshioka: Correct.

Mr. Hooser: Thank you very much. Thank you, Chair.

Chair Furfaro: Thank you. I will go to Mr. Chock for final comments on Elections and the budget that is in front of us. Go right ahead.

Mr. Chock: Thank you, Chair. Lyndon, thank you for your presentation, and I just wanted to thank you for the great work you folks do. I was able to volunteer with Elections last year and see the exemplary work you folks do in terms of efficiency and security of the process. I am thankful for that. You know my question kind of is a follow-up on Councilmember Bynum's question. I guess the first question would be out of the 39,000 voters that we have, how many of those are walk-in? Is there a percentage that you might be able to share in terms of how many are walk-in?

Mr. Yoshioka: I cannot calculate a percentage, but as far as the raw number, I believe we are looking at maybe 3,000. You are talking about early voting that comes down to our basement?

Mr. Chock: Yes I am sorry, no. I am confused. There is the walk-in that happens, but also on the day of Election Day, there is a certain amount that comes in to vote as well.

Mr. Yoshioka: I do not have that figure offhand, but I can provide that to you very easily.

Mr. Chock: That does create a distinction because there are about 3,000 that come in before Election Day and the rest is mail-in. What would trigger us in the County or State to move to what you are talking about is coming in 5-7 years? The last question, if there is an actual cost analysis, comparative kind of cost analysis. I am assuming it is a huge savings that we would look at if we move to the mail-in process.

Mr. Yoshioka: Well as far as transitioning, that would be essentially a Legislative decision. They need to change the laws to allow us to conduct Elections by mail. Regarding the cost-savings. It depends on what study you look at and what State you look at. There may not be a significant amount of cost-savings because any moneys that you would spend perhaps to deal with the logistics of having physical polling places you would need to take those funds and invest in mail processing machines to deal with the volume of mail pieces. As an example, when we went to Oregon, they have a mail sorting machine about the size of this room in order to deal with the tens of thousands of mail pieces that they have, but along with that is costs to maintain and people to support. So there is a trade-off and a lot depends on how we want to structure our mail operations. So it would be a bit difficult for me to provide a definitive response at this time. If I may, when we met with our counterparts in Oregon, and they asked us how do you guys do elections and we explained that we have early voting and we vote at the polls on Election Day and we have mail and they looked at us and told us straight up we are crazy and yes, we are. It is tough to juggle three elections.

Mr. Chock: I guess the message is that we give people every opportunity to participate and we still need more people to come out. Thank you.

Mr. Yoshioka: You are welcome.

Chair Furfaro: Go ahead, Tim.

Mr. Bynum: The walk-in voting...I know I have asked this question before and do not remember the answer, but the walk-in voting happens here?

Mr. Yoshioka: In our basement next door.

Mr. Bynum: How could we expand that and make a west side and north shore location in the future?

Mr. Yoshioka: Well, the first step would be for us to receive adequate funding.

Mr. Bynum: That decision we could make as a County?

Mr. Yoshioka: Yes, if you want it, we could.

Mr. Bynum: Is it too late for this year? Rick, I am just kidding.

Mr. Yoshioka: He was about to have a heart attack. Yes, we can do that as long as we are properly supported. We would need ample amount of time upfront though, because one of the issues...we kind of looked at this, but one issue is that we have to find a proper facility.

Mr. Bynum: We have neighborhood centers. We have County facilities.

Mr. Yoshioka: Yes. We kind of talked about that. We would have to basically sequester a neighborhood center for a couple of weeks.

Mr. Bynum: It could be done. I will tell you if I am still around here, I will pursue this. I am dead serious about it and if you have any ballpark figures about what the costs would be, you know, I would be interested. Obviously it is not for this election, but for a future budget. There are no legal constraints for us to expand this service to our constituents.

Mr. Yoshioka: Not that I am aware of, no.

Mr. Bynum: Thank you.

Chair Furfaro: Okay. Mr. Hooser?

Mr. Hooser: Just a brief follow-up. I think Councilmember Bynum's train of thought is a good one. Again, if I am around, and I think I would support that also. So what I would ask is that you give some thought to 2016, and given whatever legal authority that we have, how we could at least plan for...depending on budgeting and everything, a more aggressive, if you would, effort, to both register voters, get the vote out by doing some of these things. So maybe some more satellite and maybe advertising. I know some of this is that we do not have the money and that kind of thing, but I think it is a good opportunity, good useful exercise to think about, that what could we do? The County could sponsor whatever, rock the vote or whatever is within our legal authority to be more aggressive or engage the public more. I do not know what that answer is, but it would be a good thing to think about within the legal confines that we operate.

Chair Furfaro: Thank you for an excellent report and Lyndon thank you for all you do. We will move on to Jade and Council Services now. Lyndon, did you hear that? Thank you for all you do. Good job.

Mr. Yoshioka: Thank you.

Chair Furfaro: Jade, you have the floor.

Ms. Fountain-Tanigawa: Good afternoon, Council Chair, Councilmembers. It is a pleasure and very odd to be on this side of the rail. Before you is our budget, and there are a couple of highlights that I wanted to touch upon. One was our mission statement and I did hear Vice Chair Chock talk about it a little bit. I am sure there are some improvements that can be made, but it really is the core of what we do. We all...well, if I could just read it to serve the Kaua'i County Council in its legislative function and

provide service to the public efficiently, accurately, and with respect. That was a big change from what we have had before. I think this is the about the second or third year we have been kind of focusing on truly on public service. It is what we feel is important and necessary and really what the public deserves. As I am sure you folks are aware we do have four separate sections within Council Services. Records Management, Support Services, Research, the Clerical Assistance and the Secretarial Assistants and they all play a vital role in providing the service that we do to the seven of you...four right now, but the seven of you. I am not sure if there are any specific questions that you have, but we currently have one vacancy, which is a Secretarial Assistant. There was one part that I wanted to focus on and it is page 8. This may be for the new members will shock them, but the amount of work that the Office produces and what we put out, if you look at page 8, "new project assignments." It really provides a good indication. The members through various requests generate 4,856 project assignments. So amongst the seven of you, I could not tell you at least right now how many each of you put forward, but it surprises people it is such a large number. It is small things, as well as complex research, bills and ordinances and we have outlined that in the report as far as how many we do. This legislative session, as an example, we have issued about 100 pieces of testimony, tracked 163 bills, so it is a very busy environment and we are very thankful for the support that you have all really provided. The figures provided are really for eight months and probably by the end of the year the number will increase to over 5,000.

Mr. Bynum: This is for eight months?

Chair Furfaro: Two-thirds of the year.

Ms. Fountain-Tanigawa: I know we are on a kind of tight line, but some of our successes and achievements, there was a part that we touched upon last year that I wanted to kind of repeat again. On page 6, our successes and achievements. I am proud to say that we have received an A+ rating again by Ballotpedia formerly known as the Sunshine Review for government transparency for the second consecutive year and we have reorganized the Council's website to make it user-friendly using OCR software. We have posted all Council and Committee agendas and attachments to make sure that they are available via the County's website and I know members of the public call and still have a little problem navigating the site and that is something that we plan to work on. We have established a social media policy and that led to the launch of the County's Facebook page. This initiative is initiative is an effort to be more accessible to the public and really a certain demographic that is tuned into social media. We have received 285 likes, 28,000 organic reaches and the largest demographic of people that utilize the page are about 45 to 54 years old, on average.

Chair Furfaro: Jade, that would be appropriate, I think at this point, it is a great accomplishment to let the people know also on-camera, this is a grade A+ rating is the second year in a row amongst 1,036 counties.

Ms. Fountain-Tanigawa: Yes.

Chair Furfaro: And municipalities that were rated and we also were rated far higher than our sister-counties in State of Hawai'i.

Ms. Fountain-Tanigawa: Yes. That is correct. That really...that effort was initiated by staff member Scott who has really done some wonderful things. As far as our social media policy, Yvette just provided me with the updated figures and we have 293

likes which is even better. We have done things that I know members have been waiting for such as the codification of the Kaua'i County Code, which is being used and we have received calls and online inquiries. We have also successfully hosted the 2013 HSAC Annual Conference attended by 120 conferees and we are gearing under Ashley Bunda's leadership for the 2013 National, Western Interstate Region Conference. That is going to be a very large project for us, that we are preparing for already with various promotional pieces. So it will be a busy year or busier year than normal.

Mr. Watanabe: Just to add to what Jade said, Yvette is our social media person on our staff.

Ms. Fountain-Tanigawa: She issues all public releases. She is in charge of the Facebook page and has really done a very good job. It is kind of her part-time thing, because she is an analyst and she does the research and staffs the budget. So we have asked our staff to do a lot more with less.

Chair Furfaro: We expect a lot more, because we have a fine staff, who is more than capable of doing that.

Ms. Fountain-Tanigawa: We have an absolutely wonderful staff and I am very proud to be part of them and very proud of them. Very, very proud of them.

Chair Furfaro: Please also mention that Yvette is our media conduit to the Administration. So we initiate our own pieces.

Ms. Fountain-Tanigawa: She is very busy and I have just a lot of statistics and I know we are running short on time, but if there are any specific questions I would be glad to take them now.

Chair Furfaro: I will give the floor to Mr. Bynum.

Mr. Bynum: I am going to ask the same questions I ask every year, so it will not be a surprise. I would very much like to have seen additional analysts and other positions in this budget for Council Services. I believe our staff puts out an extraordinary amount of work. I just did the math and that is 3.5 requests per hour per working hour that come from Councilmembers. They do a remarkable job above and beyond and in spite of that, there are still needs to have a more effective legislative body and it is not a criticism and I continue to be dismayed at the amount of work. I think you would get a favorable reception from the Council body and this year may be the first year in ten years that I do not put up a proposal for independent staff, because I will not have time to do it and it truly would be a burden to try to incorporate that, perhaps at this time with space and all of that. But we just need more of these folks.

Ms. Fountain-Tanigawa: We recognize the financial constraints, and I am very grateful for your offer, but we recognize the financial constraints that the County is in, and I think it would behoove us to not follow...I am trying to choose my words very carefully.

Mr. Bynum: That is enough said. I just wanted to state on the record that I support expanding our staff; that I have always supported that. When there has been additions, it has resulted in additional productivity, and it has resulted in more cost efficiencies. Sometimes hiring more staff is very wise.

Mr. Watanabe: Just to add to what you said, much kudos to the Chair, because when he took over as Chair, as a directive, he pursued us filling the positions that we had vacant. Otherwise we would be more short-staffed now.

Mr. Bynum: I wanted to ask a couple of questions and make some comments and I will be done. I think that is pretty much it. So I want to make some comments. Ever since I have been on the Council, it is almost a mantra we talk about the quality of our staff. It is almost like you have to do it and I am sure that the people and members of the public say oh, they have to do that, but it is really true and it has been true ever since I was here. What has changed dramatically in the time I have been here is the quality of the upper management. That has to do with our Council Chair and Ricky Watanabe and Jade Tanigawa and I want to say this on the record and I hope somebody is watching from the public, these are appointed positions and we have these two outstanding Civil Servants that have given 20, 30 years of service to our community, and this body is a controversial and uncomfortable place to work at times, I think. These two individuals stepped up and took what I think is a courageous move for a career civil service person to move into an appointed position, where you are at the whims of these folks here and we have collectively pretty weird sometimes...I know I am. So I will own that, but I think collectively true. I just want to thank you, Ricky, for taking that move at the end of your career, and you know with the Council Chair and his management experience, I think at times I thought maybe he was too intrusive, but I saw you guys assert yourselves and put this place together, along with the experienced manager and make incredible improvements over the last few years. I will forever be deeply grateful to the two of you personally for your integrity and being supportive of me when it was really difficult at times when I did not make it easy on you. I want the people of Kaua'i to know that this operation here has integrity and credibility despite all of our "hoo hoo" and it is because of the quality of the upper management and these two individuals. So thank you for that.

Ms. Fountain-Tanigawa: Thank you very much.

Mr. Watanabe: Thank you very much.

Chair Furfaro: Thank you for your comments.

Mr. Bynum: Thank you for your contributions to the improvements to the structure of our Council Services. Thank you.

Chair Furfaro: We are getting there, Mr. Hooser, did you want the floor?

Mr. Hooser: Yes, please. Thank you, Chair. These are going to be my concluding remarks. I just wanted to echo what Councilmember Bynum said. I was here this morning at 5:30 a.m. and Scott and Ricky both were here at the same time and they do not have to be here at 5:30 in the morning and then work a full day and that is just a small example. My hat is off to the entire staff. It really is. I spent eight years in the Hawai'i State Senate and I would put our staff head and shoulders above those people...it is just really great and trusting...trustworthy, because we count on the confidence...it is a small community and we are working on issues sometimes that are sensitive. I never, ever worry about that, because I know that there is nothing to worry about. I would be remiss if I did not basically say that the entire staff deserves a medal for what Councilmember Bynum and I put all of you through with Bill No. 2491. That was an

incredible experience for all of us and a test, if you would, and nothing bad happened. With the amount of emotion and the amount of people and the different venues and all that went on, something could have happened and I give credit to Ricky and Jade. You, for being able to see forward on that and managing it well. As far as I know, no one at least openly lost their temper. There might have been people stressed and frustrated, but nobody I know took that out and it was just a testament to the entire staff and I appreciate that tremendously.

Chair Furfaro:

Mr. Chock.

Mr. Chock: Serves the legislative process, efficiently, accurately, and with respect. I think within the short time I have been here, awesomely done and any words that would describe the work that you folk have done, this is it and I want to congratulate you for obviously you folks have put a time and effort and there is a huge commitment as everyone has said towards the work here and I am overwhelmed and impressed at the same time. Not to disagree with Councilmember Bynum, but to make some clarification, I had the opportunity to talk about staff about the open position and ask them from their standpoint if the load was too much because the desk empty across from my office is the one that is vacant. From their perspective, they had shared that they are more than capable at least with the current workload that they are being given in servicing us. Maybe something to reflect on as we make further decisions with our Council Services. Other than that, thank you, Chair.

Chair Furfaro: Yes, I think we have come a long way, especially in the last three and a half years. We have made staff evaluations and we do have one vacant position in our Office, and I would like us to really think through it by the 8th of May. Because I do not want us to be in a position that we cannot walk the talk as well. You know, if we are asking the Administration to sacrifice a position or two, I would like to make sure that we hold until we get through May 8th. Because I do not think this body and we function as 23 individuals that service the County with over 12.5 assignments...new assignments every day of the week. We have people that have new responsibilities and Scott, I want to personally thank you for taking over as the lead analyst. He has done a wonderful job and he has identified as a green color on our continuity report...that means that he can continue to move up. We have to do that because Ricky is red. Another 30 months he is going to be retiring possibly. So we have got to color-code some of these people and invest as we go along. Jade, thank you for everything that you do. You certainly, certainly are also a green light. I want to thank you Yvette, who has really worked on our Facebook page on the web and also has worked very, very closely with the Public Information Office across the street and Ashley, who is monitoring for us everything that is going on at the State. The three of you, my hat is off to you. We have made these changes in personnel and filled some vacancies that were unfilled for a while. We have a lead analyst in Scott and we added a second legal assistant with Christiane, three and a half years ago. We have a third person in clerical support in the Records Department. I think that person will be on board next week Monday.

Mr. Watanabe:

She will be here tomorrow.

Chair Furfaro:

Tomorrow?

Mr. Watanabe:

Yes. Tomorrow, right Scott?

Chair Furfaro: Because we have a backlog in Records. We took almost a year to get settled into the building after it was through the \$4.2 million renovation and we have Eddie, who is do our facilities building and Eddie, I did not see him at the table today, is he here? Thank you, Eddie, we have a couple of very classy buildings to take care of now and constantly getting him exposed with projects in Honolulu and the Elections. We do upward appraisals for the staff once a year and so we have feedback that you actually come back with 23 pieces of paper that basically says constructively where can we make constant improvements? We just went through our last one in November. We have a mission, a vision, and a value statement posted in our work areas that the staff has agreed upon. And I look forward to constantly making more improvements as we go along. We have a tight budget. We have a lot to accomplish and I have to just say it is because everybody does their part. The two of you are leading a fine team and I am very honored to be part of this County Council, working with you and the Councilmembers here to get these things accomplished. But we need to watch our expenses going forward, and perhaps in two years we can revisit staffing again, but for right now, I want to make sure that you know, we have a chip to put in the savings pile if we are going to ask the other Departments to do the same.

Mr. Watanabe:

Thank you, Council Chair.

Chair Furfaro: I have no more comments for you other than to say Jade, your recognition over in Honolulu is coming up this week. We are very, very happy for you with the Women in Business recognition, well-deserved, well-deserved. Also I have to say to everybody, if I can, take some time this weekend during Easter to just relax with the family and reflect on all of the good things that we have in the County of Kaua'i. Even in our worst day, it is better than anywhere else.

Mr. Watanabe:

Council Chair, if I can just add one more thing.

Chair Furfaro:

Go ahead, Rick.

Mr. Watanabe: I know we have discussed in the past for the last year and a half or so about looking at where our employees should be...their rate of pay, because most of our employees are appointees. We are in the process of...I did the initial draft and it is currently being reviewed by Jade. So hopefully we will conclude that soon within the next two months.

Chair Furfaro: I have two other pieces we should mention also. We do have a Rules Committee as I told Mr. Bynum if he wants to activate again those three members and also an HR Committee made up of three and I would like to make sure that they are both able to participate in whatever you come up with there. Mr. Hooser, you have the floor.

Mr. Hooser: Just really quickly. I was bragging a little earlier about coming in at 5:30 in the morning and Scott and Ricky were here also at 5:30 a.m., but I would be remiss if I did not point out Councilmember Chock, who is a late-riser came in at 5:45 a.m. this morning. So there is an early crew here in the Council building getting the work of the people done.

Chair Furfaro: Well, you have got to make up that extra 15 minutes. Everybody, I want to tell you this kind of summarizing our first go around. We have two call-back days coming up. I want to make note that April 21st we have from 9:00 –

11:00 a.m. . and these are specific times for specific items. We have Public Works and Solid Waste back. We also have an hour with Life's Choices. This was at JoAnn's request from 11:00 a.m. – 12:00 p.m. and we have the Department of Finance coming back for an hour on the Humane Society specifically. We have the Kaua'i Police Department coming back on their subsidized vehicles on the 21st. Then we have 3:00 p.m. - 4:30 p.m. the Office of the County Attorney. Then on the 22nd, is our second call-back day. We are going to get a tax presentation from 9:00 – 11:00 a.m. on rates and categories by Mr. Bynum. Then we have Parks and Recreation from 11:00 a.m. – 2:30 p.m. and we are going to squeeze a lunch in there somewhere. Our last call-back is with Mr. Costa for Economic Development. He is coming back specifically with some marketing ideas about agricultural products. So May 7th we have public hearings. May 8th we will have the Mayor's resubmittal. You folks will be given time starting from the 21st, no the 24th to have individual times with the Analysts. I do want you to know that I am taking all of my comments, I have already set my time up, and I am going to send all my comments back to you folks, my comments, so you have it in advance, because all of these things we have talked about in public, so you have something to look at in my direction, before we get back to the table. So on that note, Jade, go ahead.

Ms. Fountain-Tanigawa: I am sorry, there was one more thing that I wanted to mention about our operations and I know people have been wondering, but we under the direction of the Chair we have taken some steps to reduce our overtime. I know people look around and see one or two analysts, but we have made that decision to really limit after 4:30 p.m., just the staff that we truly need for the pending projects. For the past eight months, and I asked Lisa Ishibashi to do a quick run, but we have accumulated 738.37 hours and we are very cognizant of and we are taking the steps to limit our overtime as other Departments have as well.

Chair Furfaro: Considering the types of bills that we have dealt with, the budget time and elections coming up I think you should be complimented. Thank you for taking my suggestion and thin out the group when we come to 4:30 p.m., only those we absolutely need should be present and Jade and Ricky, thank you again for your fine leadership.

Ms. Fountain-Tanigawa: Thank you.

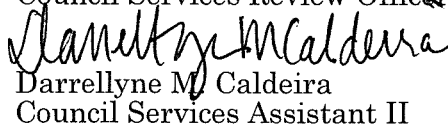
Chair Furfaro: Have a Happy Easter. The budget reviews are adjourned.

There being no further business, the departmental budget reviews were adjourned at 4:23 p.m.

Respectfully submitted,



Scott Sato
Council Services Review Officer




Darrellyne M. Caldeira
Council Services Assistant II



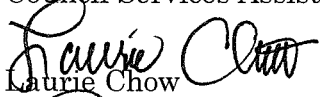
Cordie Yamachi
Council Services Assistant



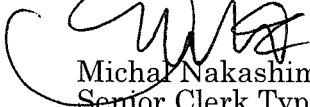
Allison Arakaki
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Laurie Chow
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APPROVED at the Committee Meeting held on May 21, 2014:



JAY FURFARO
CHAIR, COW COMMITTEE

